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FARM BUSINESS SURVEY
South West England
Benchmarking Handbook
Harvest Year 2020

Rural
Business
School

Duchy College
Stoke Climsland
CALLINGTON
Cornwall
PL17 8PB
TEL: 01579 372377

Bicton College
East Budleigh
BUDLEIGH SALTERTON
Devon
EX9 7BY
TEL: 01395 562411

Email: fbs@duchy.ac.uk

THE CORNWALL COLLEGE GROUP

SOUTH WEST ENGLAND BENCHMARKING HANDBOOK

2022

2020/21 Financial Year Data

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Rural Business School, Duchy College, Stoke Climsland, Callington
Cornwall, PL17 8PB. Tel: 0845 458 7485, Fax: 01579 372335
www.ruralbusinessschool.org.uk

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FOREWORD AND ACKNOWLEDGEMENTS

The information in this benchmarking handbook is intended for use in farm business planning and appraisal, and continues a long series of similar publications of farm management statistics for Southwest England. The standards data relate to farms situated in the South West Government Office Region consisting of Cornwall and the Isles of Scilly, Devon, Dorset, Somerset, Wiltshire, Gloucestershire, Bath and North East Somerset, North Somerset and South Gloucestershire, City of Bristol, Plymouth, Torquay, Bournemouth, Poole and Swindon and derive from the DEFRA commissioned annual Farm Business Survey, undertaken in the South West by the Duchy College and the University of Reading.

Section 1 illustrates the importance of the agricultural industry to the economy of South West England and the performance of the various sectors within it.

Section 2 brings together *Whole farm business standards for 2020/21*, presenting in a revised, more comprehensive layout six pages of financial and technical standards for each of six farm type groups. Section 3 publishes *Enterprise gross margins standards for 2020/21*, including four crops and ten livestock enterprises, giving survey results shown in 'per hectare' and 'per animal' form.

The production of this handbook has been possible only through the combined efforts of many people. Particular thanks are due to the many farmers throughout the region who have continued to support the research and investigational work of the College by making available detailed information for recording and analysis. Without their continued support and co-operation this work would not be possible and their help is greatly appreciated.

Many members of staff have contributed to the collection and analysis of the farm planning data presented in this handbook. During the period to which these statistics relate the College's research team comprised Jamie Blake, Mark Fogerty, Grace Kempthorne, Caroline Lambourne, Linda Lawrence, Greg MacQueen, Keith Robbins, Warren Sanders and Sally Thompson. Helen Polglase, Rachel Rollason and Gareth Lawless have made a very significant contribution to the production of this handbook. Editorial responsibility has rested with Mark Fogerty and Keith Robbins. Grateful thanks is also given to our colleagues at the University of Reading for the data they provided and all the farmers who have voluntarily provided records and information on which the annual Farm Business Survey, and this report, is based.

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INTRODUCTORY NOTES FOR USERS

The source of the benchmarking data

The benchmarking data published in this handbook are based on the detailed information collected from a cross-section of farm businesses as part of the annual Farm Business Survey (FBS). The FBS is widely recognised as the most authoritative survey of the financial position and performance of farmers' businesses in England and Wales. The results of the survey work, which is funded by DEFRA, are widely used by government and by the agricultural industry as a reliable source of information on the financial position and performance of various types and sizes of farm businesses. The FBS is supported by the National Farmers' Union, the Country Land and Business Association and the Tenant Farmers' Association and other farming organisations.

The FBS involves the collection of a range of management accounting information on all aspects of farmers' businesses including detailed information on:

- Revenues and costs
- Assets and liabilities
- Areas and production of crops
- Sales and purchases of livestock
- Labour use
- Diversified activities

To ensure complete consistency in all aspects of survey procedures, irrespective of farm type or size, rigorous standards are applied. The user is referred to the extensive 'definitions of terms used' to be found at the back of this handbook which will give some guidance about the survey's approach. One further aspect of the FBS deserves mention in relation to its reliability as a source of farm planning data. Close attention is given to the design of the sample, sample turnover is maintained in order to refresh the 'panel' and new farms are recruited from lists chosen at random from the June Survey of Agriculture. This provides an important element of statistical validity to the survey results.

The accounting data from which these farm benchmarking standards have been derived relate to the 2020 harvest year, the farm businesses concerned having accounting years ending on average in late February.

The layout of the handbook

The handbook cover three areas. Section 1 is an overview of agriculture with the South West Government Office region, drawing on the Farm Business Survey Government Office Region Reports for 2020/21 and published on the internet at www.farmbusinesssurvey.co.uk. Section 2 contains whole farm benchmarking data drawn from farms within the Farm Business Survey, whilst Section 3 shows a number of enterprise gross margins.

Some notes on the use of the standards data

General

The FBS sample covers businesses with an economic Standard Output of 25,000 Euros and above. Practically all of the sampled accounts close within the four months from the end of December to the end of the following April with concentrations at the close of the calendar year and towards the end of March and early April. About 75 per cent of the accounts close during these two peak periods. Thus the results relate, on average, to March - February years.

Classification of survey farms by type of farming

The Standard Output (SO) is a financial measure used to classify farm type. Standard outputs measure the total value of output of any one enterprise - per head for livestock and per hectare for crops. For crops, this will be the main product (e.g. wheat, barley, peas) plus any by-product that is sold, for example straw. For livestock it will be the value of the main product (milk, eggs, lamb, pork) plus the value of any secondary product (calf, wool) minus the cost of replacement. Up until 2010, standard gross margins were used for the classification of farms. The difference between standard outputs and standard gross margins is that no variable costs are deducted in the derivation of standard outputs. Each farm is assigned a total SO by aggregating the SOs for its agricultural enterprises. The farm is classified into a 'particular' type of farming by evaluating the proportion of its total SO deriving from different enterprises.

The characteristics of each farm type are summarised as follows:-

Cereals- Farms on which cereals, oilseeds, peas and beans harvested dry account for over two-thirds of their total SO (holdings with more than two-thirds of their total SO in set-aside are excluded from the survey results). Standards for this group are, under 200 hectares, and over 200 hectares.

General cropping- Farms with over two-thirds of their total SO in arable crops (including field scale vegetables) or a mixture of arable and horticultural crops; and holdings where arable crops account for more than one-third of total SO and no other grouping accounts for more than one-third.

Dairy-Farms where the dairy enterprise, including followers, accounts for over two-thirds of their total SO. Standards are given for two herd size groups, under, and over 200 cows.

LFA grazing livestock-Farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as in the LFA if 50% or more of its total area is in the EC Less Favoured Area (both Disadvantaged and Severely Disadvantaged, and both SDA and DA groups are showing in this handbook).

Lowland grazing livestock-farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as "lowland" if less than 50% of its total area is in the EC Less Favoured Area.

Mixed farms- Farms where crops account for one-third, but less than two-thirds of total SO and livestock accounts for one-third, but less than two-thirds of total SO. It also includes holdings with mixtures of cattle and sheep and pigs and poultry and holdings where one or other of these groups is dominant, but does not account for more than two-thirds of the total SO. In this benchmarking handbook, the sub-group focussed on is Cropping, Cattle and Sheep.

Organic farms have been excluded from the group averages; to avoid the risk of distorting the averages, as in some groups the numbers of organic farms is much higher than would be found in a normal population distribution.

‘Average’ and ‘Premium’ standards

The ‘average’ standards have been obtained from samples of full-time farms in Southwest England, which represent a broad cross-section of the main farm types. ‘Premium’ standards relate to the most profitable farms in each group (based on a minimum five farms), selected on management and investment income per hectare.

Weighting Procedure

All results in this report are weighted so as to provide estimates for the population. The weights are based on the ratio of numbers of businesses in the population (as given by the June Survey) and in the sample within each farm type and size group. These weights are then further refined by a calibration process using information from sources other than the June Census (mostly administrative data). For more information on the FBS weighting procedure and other statistical issues, please see: <https://www.gov.uk/farm-business-survey-technical-notes-and-guidance>

Analysing a farm business

The analysis of a farm business using the data framework in this manual must be based on comparable management accounts and the user is referred to the definitions of terms used for guidance. It should be noted that the assets and liabilities data are heavily influenced by the tenure of the sample farms and due allowance for this fact should be made. Benchmarking a farm business requires a progressive and ordered approach as a range of indicators are reviewed; one possible procedure is illustrated in the chart 1 ‘Analysing a farm business’.

Chart 2 illustrates the interpretation and use of the contents of the farm balance sheet in assessing the financial stability of the business.

The analysis of a farm business as outlined in these charts is based on the assumption that the individual farm accounts have been compiled in accordance with the generally accepted format for management purposes, and will include those adjustments arising from the adoption of a replacement cost basis of valuation for certain assets as described in the glossary.

Stages in benchmarking your farm results

1. Identify which type of farming group your farm most closely corresponds to and translate your own financial results for the same cropping year into the tables. It may be useful to check definitions and other accounting procedures using the information in 'Definitions of terms used'. In some cases, it may prove useful to compare your results with standards from two different farm type groups, particularly where your farm operates a more diverse system. Chart 1 illustrates some of the more important stages in benchmarking financial performance.

2. Compare the whole farm results with those of; first the average, and then the premium, standards, to identify your farm's relative strengths and weaknesses. No single measure should be taken in isolation: sometimes there will be compensating factors and there may be a substitution between cost headings - for example, between purchased or concentrate feed costs and fertiliser costs, or between the efficiency of labour use and the investment in machinery or the use made of agricultural contractors.

3. Compare profitability and the return on tenant-type capital. Variations in efficiency are invariably due to a combination of factors, including, for example, the relative 'mix' of enterprises, the actual levels of both physical and financial performance (such as yields, stocking rates and unit prices) and unquantified factors such as farm characteristics (including topography, land quality, farm organisation and level of fragmentation) and management.

4. Additional information regarding specific enterprise gross margins can be found in Section 2, and may help to pinpoint individual areas of weakness which exert an influence over the whole farm situation.

5. Where for an individual farm the level of 'output per hectare', 'tenant's capital per hectare' or 'farm size' varies considerably from the standard, some of the more general measures of efficiency (such as 'efficiency per £100 output') may provide more useful comparisons.

6. Variable costs must be expected to vary between farms and therefore should be judged in relation to total output. In looking at the levels of costs, the important question is 'What level of profit are these costs bringing in to the business?'

7. Variation in the efficiency of use of fixed costs may be due to a number of different factors:

- A poor level of output, or inefficiency in the use of variable costs, both of which will show up at the gross margin level and thus adversely affect the financial efficiency of use of fixed costs.

- An inefficient use of machinery due to over-mechanisation resulting in a high depreciation charge; or excessive repair charges due either to a lack of care and maintenance or to the consequences of insufficient re-investment in machinery.

- An inappropriate combination of enterprises which creates peaks and troughs in labour or machinery use may not be conducive to optimal efficiency in financial terms.

- High interest or land rental charges, although *fixed* by personal circumstances, may still be worth close examination in relation to the level of output obtained. Looking at the level of tenant's capital in relation to output can also point to a possible area for attention.

- Although high costs for land maintenance and/or overheads may be justified by personal circumstances, significant adverse variation from the average would suggest that tighter control could be of benefit.

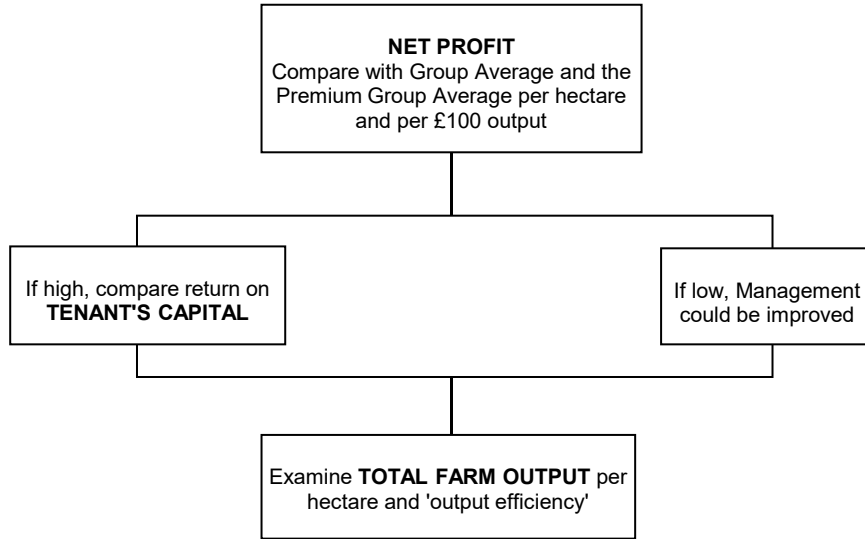
8. An examination and comparison of the farm balance sheet should be attempted to give a broader view of the financial position of the business. Although individual circumstances will inevitably result in considerable, and acceptable, variation in some of the comparative ratios, it is the degree of change between two years and the direction of any trend over time that should be closely monitored. Chart 2 illustrates some of the more important stages in examining the balance sheet of a farm business, and this is dealt with in more detail below.

9. Where this form of benchmarking (or modified comparative analysis) is carried out carefully, it is a useful tool in highlighting areas of the business which may justify closer scrutiny and control. Although in some situations the 'premium' (top third) farms may appear to be only slightly more

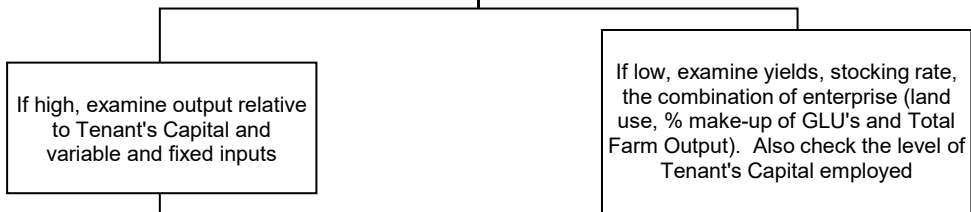
Chart 1

ANALYSING A FARM BUSINESS

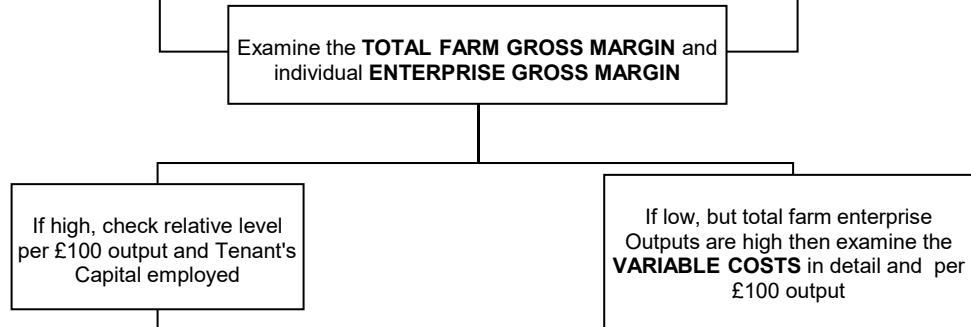
Stage I



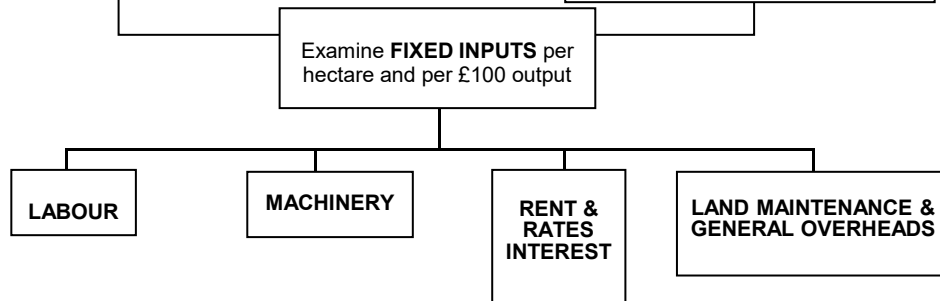
Stage II



Stage III



Stage IV



Stage V **LIABILITIES AND ASSETS** to check financial security

Using balance sheet data for farm business management purposes

It must be stressed that Chart 2 represents a very simplified and generalised framework for the analysis of the stability, liquidity and flexibility of the farm business. Moreover, the terms 'high' and 'low', when applied to any of the ratios employed, are not to be interpreted as indicating any specific or recommended level. Rather, they should be regarded strictly as relative terms, the significance of which can only be gauged when they are placed within the context of the particular farm or compared with 'standard' levels of financial performance and practice on comparable farms.

The early construction of a time series for each individual ratio employed, specifically for the farm business being managed, is also imperative in order that trends may be revealed. The direction in which a ratio is moving may be of greater significance than its absolute level at any given point in time.

When using the analytical framework provided by the diagram, there is a continuing need of an awareness that the measures which it advocates offer little in the way of assistance if regarded simply as an end in themselves or viewed in isolation one from another. Rather they must be seen as giving some degree of quantitative expression to quite crucial relationships which exist within the financial structure of any business and over which control should be exercised if the health of the business is to be maintained and its objectives more readily attained.

Among the fundamental relationships which financial management should seek to preserve are:

- the requirement that essentially long-term fixed assets should be financed from commensurately long-term funding sources, whether these be in the form of the farmer's own equity finance or debt capital.

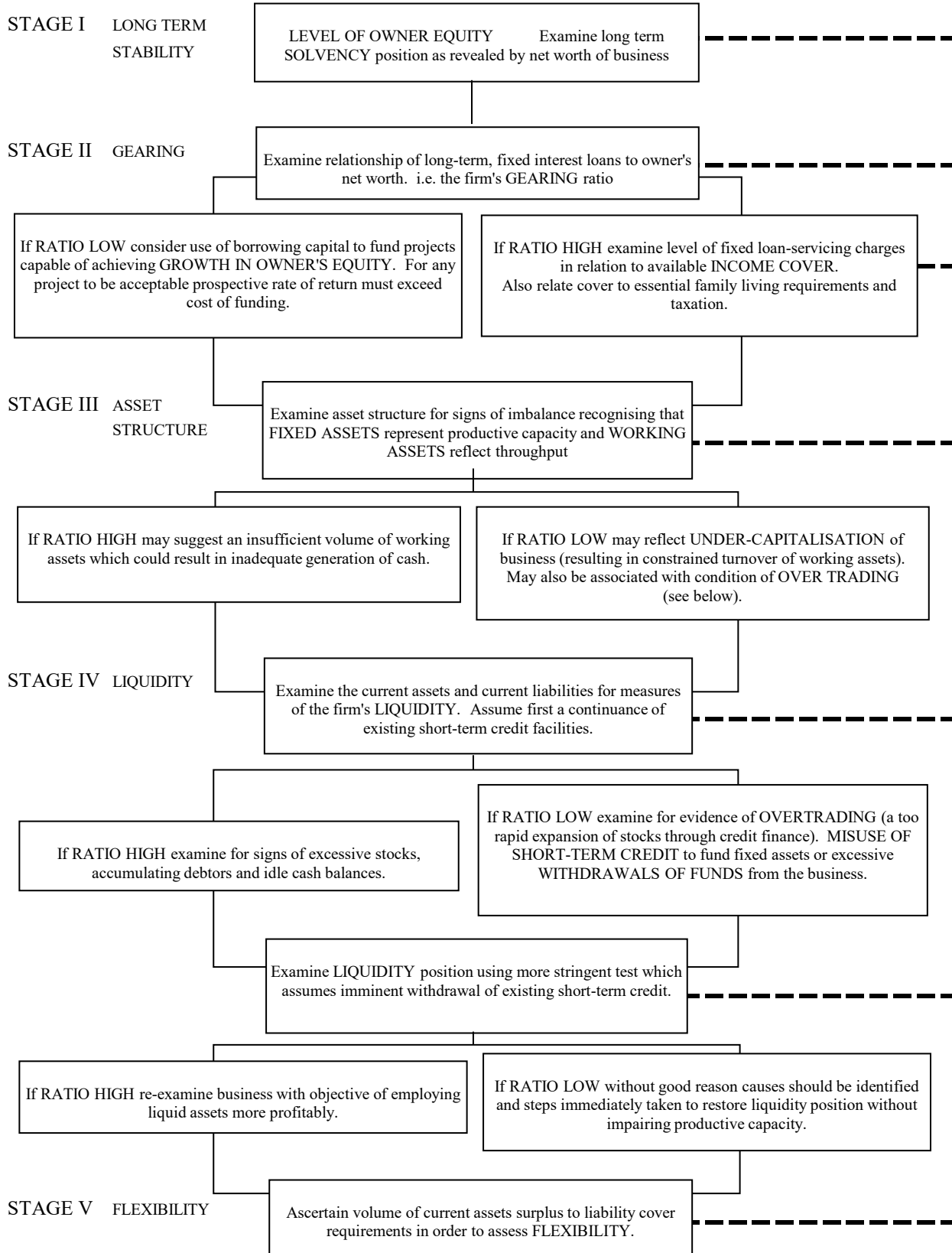
- the need to ensure that the income-generating potential of the farm business is capable of supporting the charges which debt servicing commitments, family living requirements and tax liability place upon it.

- the need to provide adequate cover, in the form of realisable assets, cash or unused short-term credit facilities, to withstand any sudden claims which might conceivably be made upon the business and thereby jeopardise its efficiency of operation or even its survival.

The approach suggested by the chart is acknowledged to be a simplified one but it is hoped that it will at least serve as an introductory guide for those who may be unfamiliar with the type of analysis with which it is concerned. The scope of that analysis can be progressively extended and a wider selection of ratios chosen from the many which are available to the business analyst as greater conversancy with their application is gained.

Chart 2

ANALYSING A FARM'S FINANCIAL STABILITY



RATIO/MEASURE EMPLOYED

$$\text{----- Owner Equity ratio (\%)} = \frac{\text{Net worth}}{\text{Total assets}} \times 100$$

$$\text{----- Gearing ratio (\%)} = \frac{\text{Long term loans}}{\text{Net worth}} \times 100$$

$$\text{----- Prior charge cover ratio (number of times income covers charges)} = \frac{\text{Gross farm income}}{\text{Debt servicing charge}} \quad (\text{see notes in box below})$$

$$\text{----- Fixed Assets ratio (\%)} = \frac{\text{Fixed assets}}{\text{Total assets}} \times 100$$

$$\text{----- Current ratio (\%)} = \frac{\text{Current assets}}{\text{Current liabilities}} \times 100$$

Notes:

1. Gross farm income is defined as net farm income plus any notional charges (imputed rent, board and lodge, unpaid labour and depreciation) less imputed credits. It is employed as a measure of gross farm profit before deduction of depreciation, interest and tax.
2. The components of the ratio presented above can easily be varied to produce a series of tests of a progressive stringently which will measure the cover available to meet all prior charges on income. Such a series might culminate in a ratio which relates net cash surplus (as a residual of gross farm income after removal of its valuation components and elements of accrued expenditure and receipts) to total prior charges comprising debt servicing charges, minimum living requirements and tax liability.

$$\text{----- Liquidity ratio (\%)} = \frac{\text{Liquid assets}}{\text{Current liabilities}} \times 100$$

$$\text{----- Net Working Capital (£)} = \text{Current assets less current liabilities}$$

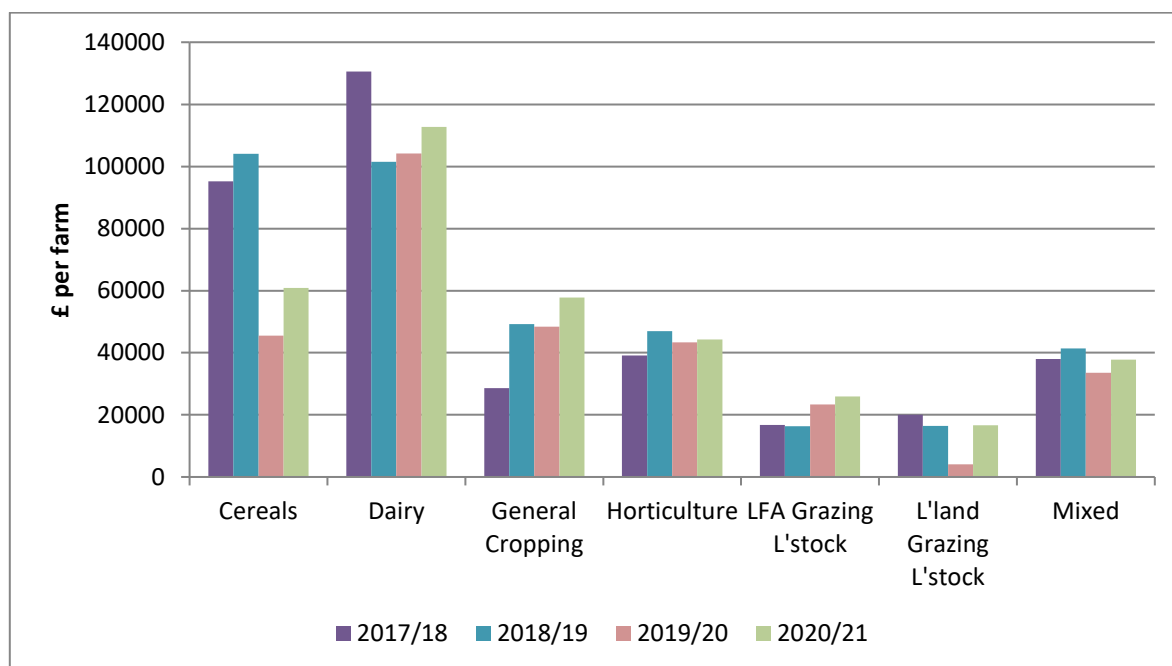
Farming in South West England, 2020/21

It is important to note that all surveys are subject to sampling error as they are not measuring the whole population, the Farm Business Survey is no exception. It is common practice to publish 95% confidence intervals and error bars alongside any published estimated figures to give the reader an indication of the size of the sampling error. These signify that we are 95% confident that this range contains the true value. For simplicity within these reports, the confidence intervals have not always been published. Readers should be aware that the figures calculated from the Farm Business Survey data have a level of uncertainty around them and that all figures are estimates. Generally, the smaller the sample size the greater the sampling error and the less confidence we have in the estimates. For details on the Farm Business Survey confidence intervals, please refer to Defra FBS publications <https://www.gov.uk/government/collections/farm-business-survey>

Summary results from the Farm Business Survey in South West England, 2020 crop year

- Compared to 2019/20, average Farm Business Income in 2020/21 was higher for all farm types in South West England.

Summary Figure 1: Farm Business Income by Farm type in South West England



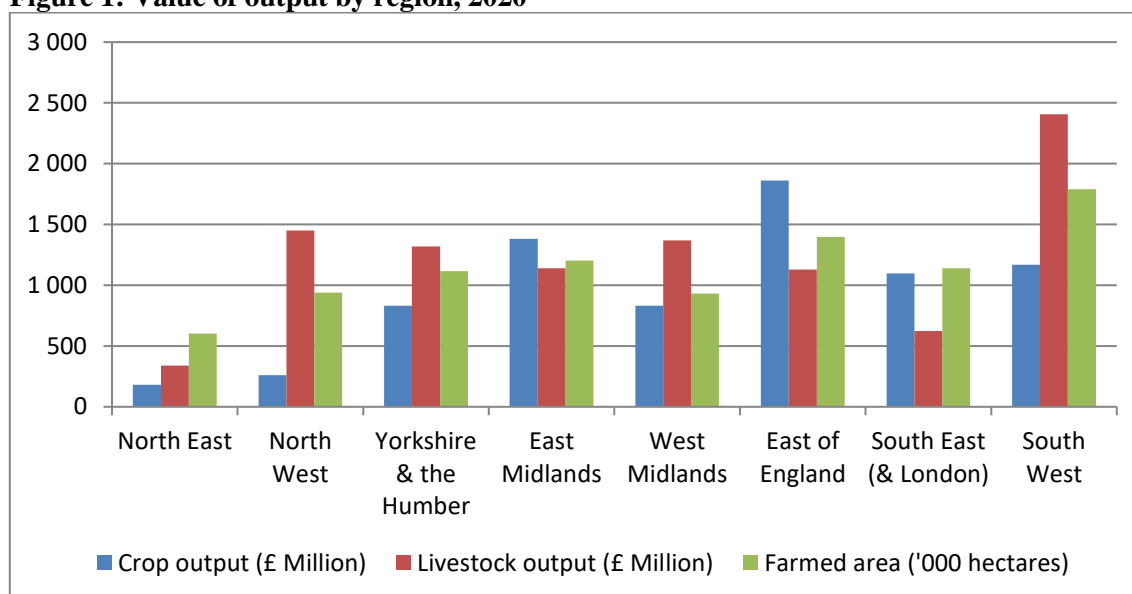
Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

- Despite far from favourable weather, with a wet winter and very dry spring, average Farm Business Income in 2020/21 was higher for all farm types in the South West compared to the previous year.
- Incomes increased in spite of the end of the EU exit transition period with trade disruptions affecting the stability and strength of markets.
- The average Basic Payment across all farm types was £22,000, similar to the last four years on a per hectare basis

Introduction

The South West of England is the largest government office region and is predominantly a grass growing region, therefore is dominated by livestock production (Figure 1). Defra estimated that 25% of the national livestock output comes from the South West, which is close to two thirds larger than the next highest region, the North West, while 15% of the national crop output comes from the South West.

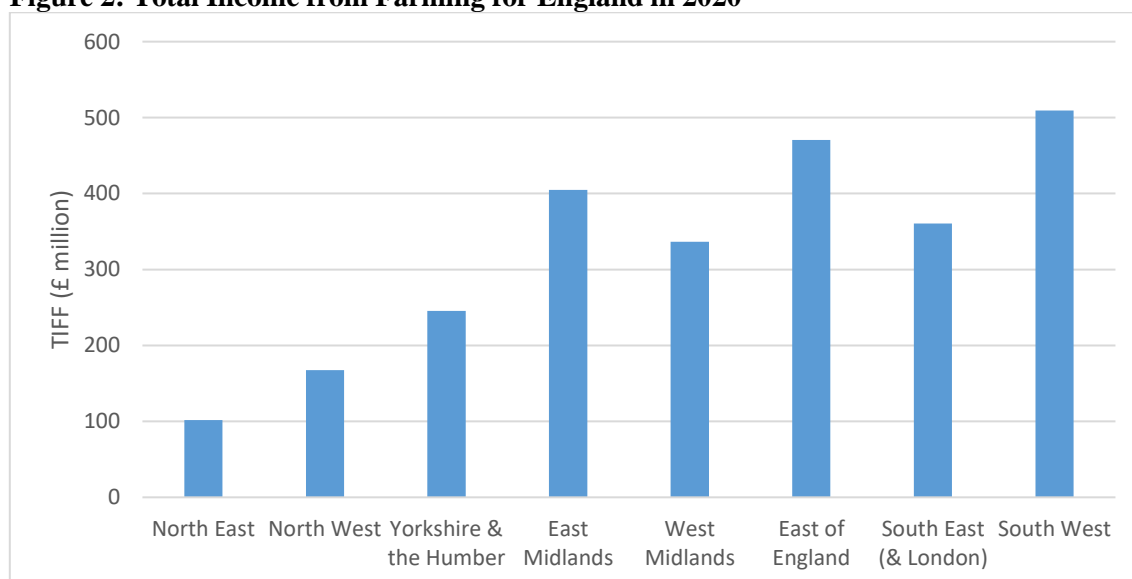
Figure 1: Value of output by region, 2020



Source: <https://www.gov.uk/government/statistics/total-income-from-farming-for-the-regions-of-england>

The estimate of Total Income from Farming in 2020 are illustrated in Figure 2, showing the South West as the highest earning region.

Figure 2: Total Income from Farming for England in 2020



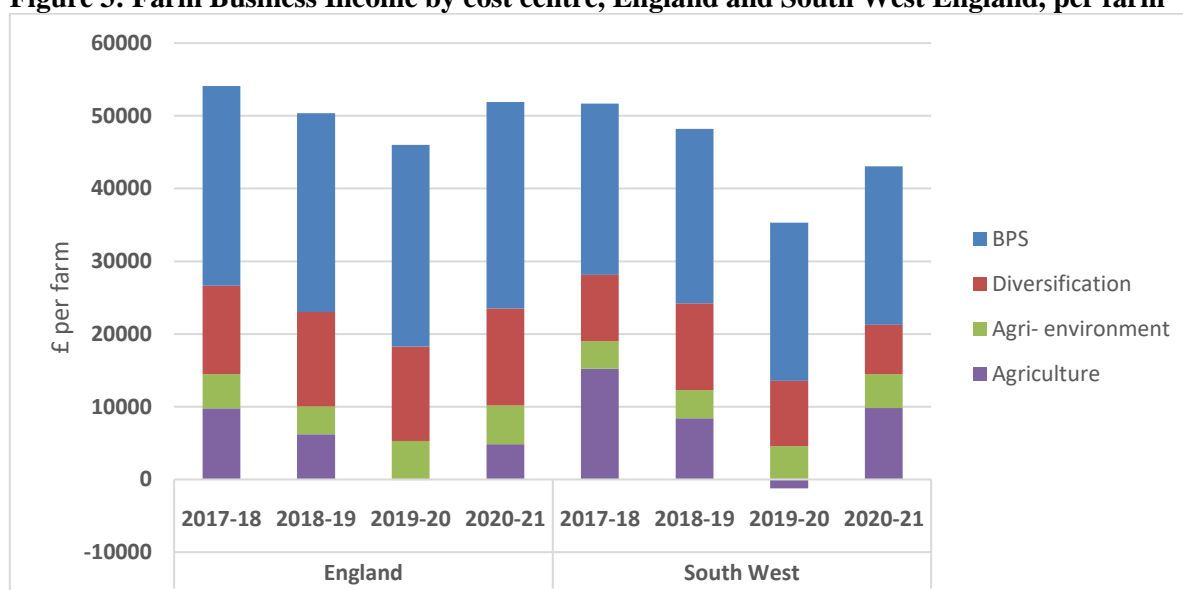
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Overview across all farm types

Farm Business Income (FBI) can be considered as comprising of income from four broad cost centres of the business. Some estimation of costs allocation, mainly the fixed costs, is required but the methodology is consistent across all types and gives a broad indication to their contribution to the businesses. The four cost centres are Agriculture, Agri-environment, Diversification and Basic Payment Scheme (BPS).

Average South West FBI across all farm types increased by 26% to £43,000 per farm compared to 2019-20 but was still the second lowest for four years. The increase in Farm Business Income in England as a whole was 13% so the gap between the average South West farm and average England farm has now narrowed with the South West farm now having a Farm Business income only £9,000 per farm lower. In the South West all farm types showed an improvement in the average farm income.

Figure 3: Farm Business Income by cost centre, England and South West England, per farm



Source: [FBS Region Reports \(farmbusinesssurvey.co.uk\)](https://farmbusinesssurvey.co.uk)

Figure 3 above shows the contributions of the four cost centres for the last four years. In 2017/18, the contribution from agriculture in the South West across all farm types totalled £15,000 and in 2018/19 this fell back to £8,400. For 2019/20 this became a loss of £1,200 but with a recovery to nearly £10,000 in 2020/21. Compared to England, the South West average income from Agriculture was higher in 2017/18, 2018/19 and 2020/21, but in 2019/20 the average loss of £1,200 was greater than that seen in England.

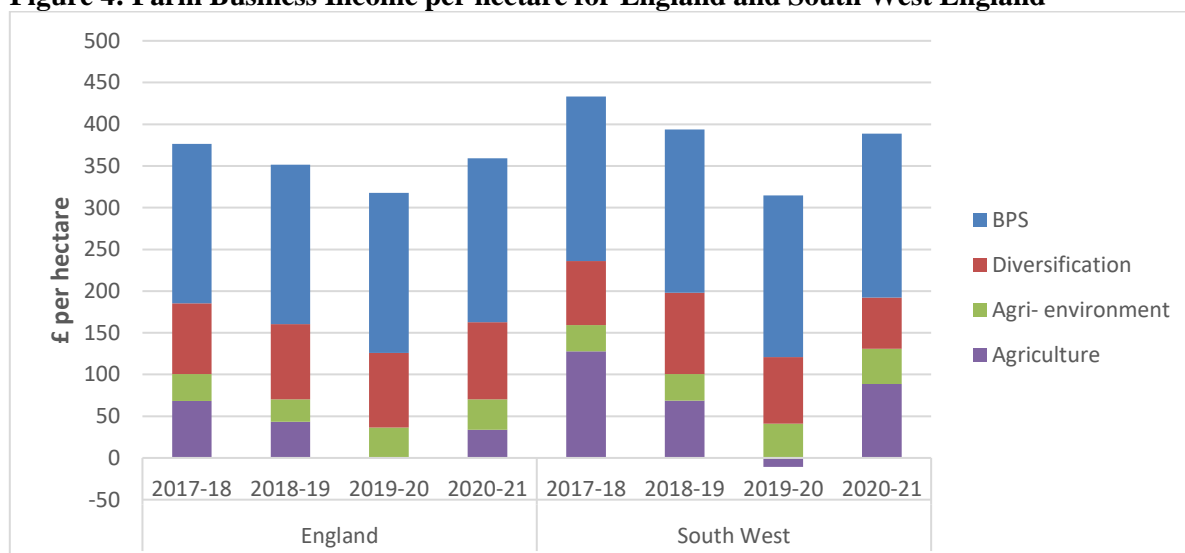
Basic Payment Scheme cost centre contributed 46% of the total Farm Business Income for the South West in 2017/18 which was lower than the national level at 51% and these percentages are broadly similar for the following three years.

The income from Diversification in the South West showed an increase of over a quarter between 2017/18 and 2018/19 but fell back to the lower level again in 2019/20 with a further fall in 2020/21. Diversification in England is more important and is close to twice the income generated from these activities by South West farms.

The Agri-environment element increased between 2018/19 and 2019/20 for both England and the South West with the CSS payment schedule now up to date. There was little change between 2019/20 and 2020/21. The importance to each region is similar with income per hectare now close to £40 per farmed hectare.

The average South West farm is smaller, than the average farm across England. Representing these figures on a per hectare basis removes these scale differences and is shown in Figure 4. For the first time since the adoption of FBI as a measurement of income, in 2017/18, the average Farm Business Income per hectare was higher in the South West than nationally. This was due entirely to the dominance of Dairy farms and their level of performance. For 2018/19 higher overall income per hectare has continued with the main difference being the performance of the Agriculture income stream which is on average £25 per hectare higher. On a per hectare basis, for 2019/20, the other three income streams are similar. For 2019/20 the income per hectare fell slightly below that of the England with less income from the diversification and agriculture cost centres. In 2020/21 the income from Agriculture in England was only 38% the South West figure but the income from Diversification was 50% higher.

Figure 4: Farm Business Income per hectare for England and South West England

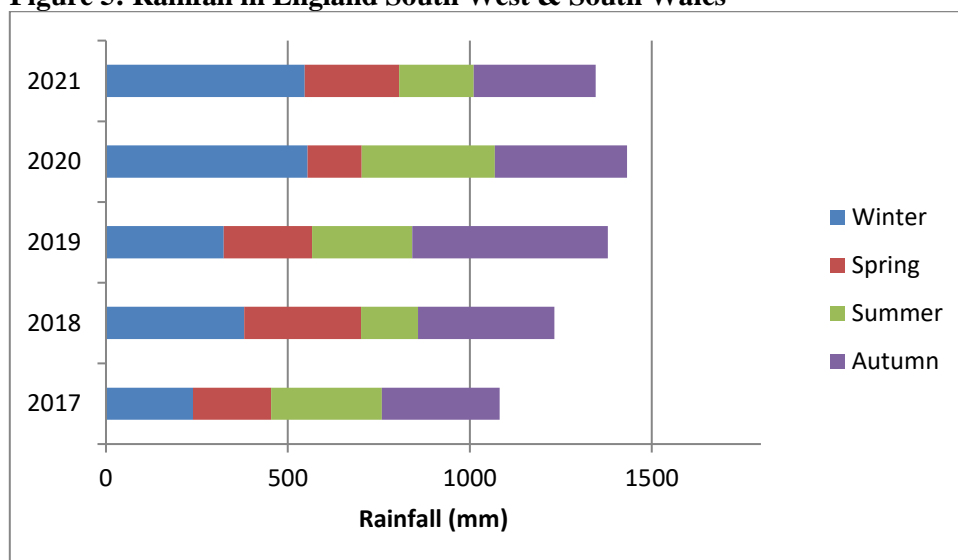


Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Weather

The weather for 2020 crop year was rather challenging with an extremely wet winter of 19/20 and very dry spring of 2020 as illustrated in Figures 5 and 6.

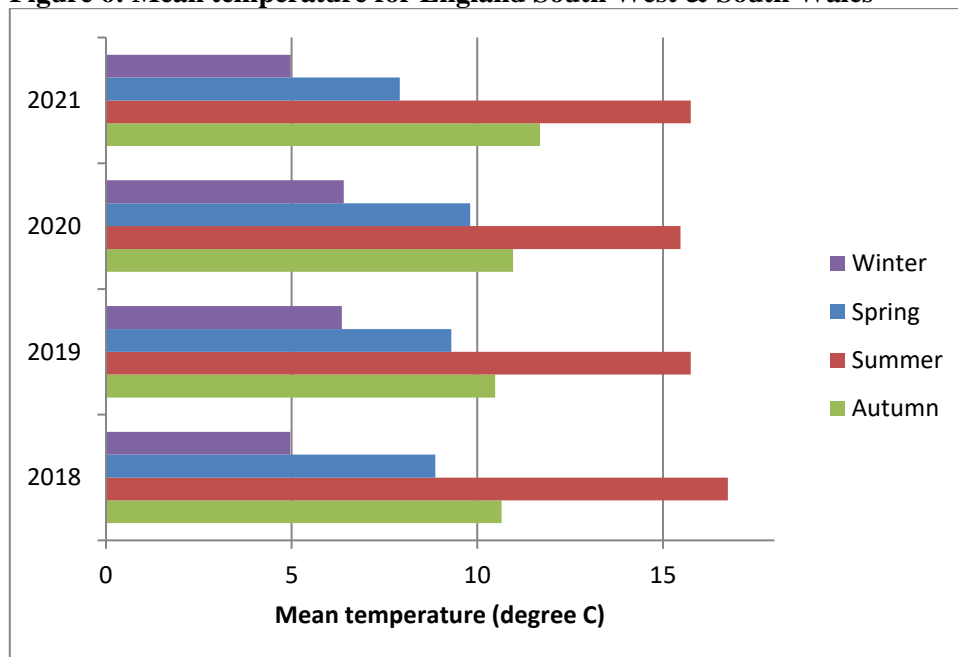
Figure 5: Rainfall in England South West & South Wales



Source: Met Office

Winter=Dec-Feb, Spring=Mar-May, Summer=Jun-Aug, Autumn=Sep-No

Figure 6: Mean temperature for England South West & South Wales



Source: Met Office

Winter=Dec-Feb, Spring=Mar-May, Summer=Jun-Aug, Autumn=Sep-Nov

Results by Farm Type

Detailed data covering output, costs and income can be found at:

<http://www.farmbusinesssurvey.co.uk/regional/Data.asp>

Trends in Farm Business Income in the South West are shown in Figure 7 from 2017/18 to 2020/21¹. Incomes have been volatile over this four year period. In 2017/18 there were large improvements in

¹ The regional data has relatively small sample sizes so care needs to be taken when interpreting the data, particularly the General cropping data from less than 15 farms. The classifications of farms was changed in 2017/18 from Standard Output co-efficient for 2010 to 2013.

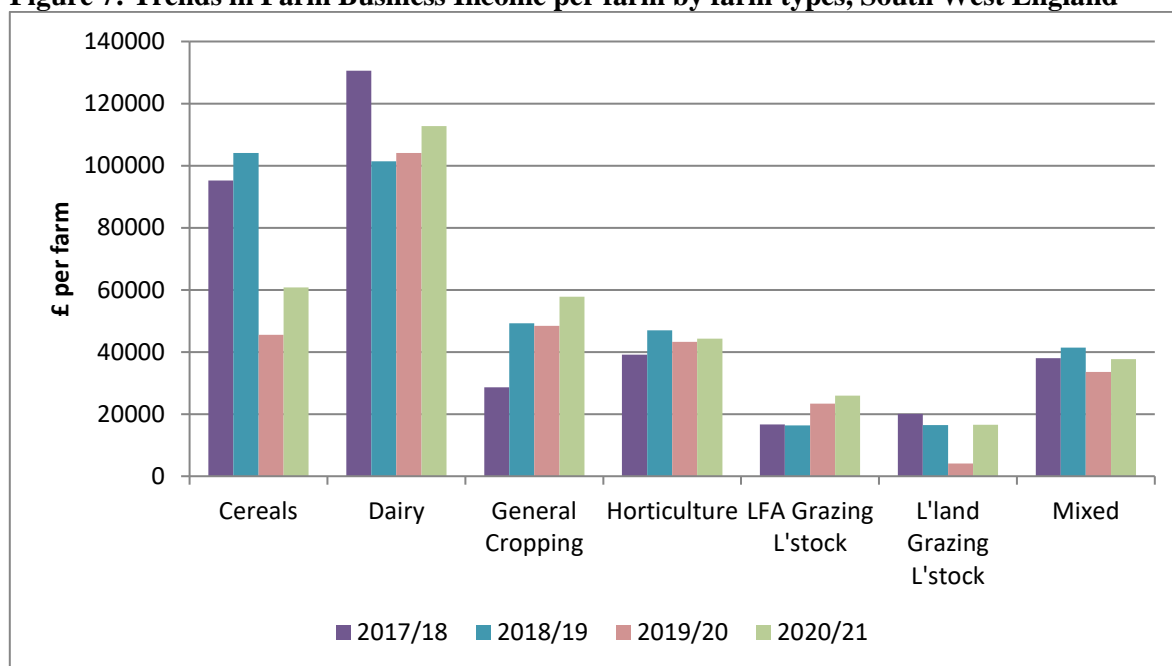
the incomes from Cereals, Dairy and Mixed farms with either modest increases or drops in income from the other farm types.

The changes to the Farm Business Incomes for 2018/19 depends, broadly, on the type of production. Those farms producing crops showed varying degrees of improved incomes and livestock producers had lower incomes.

In 2019/20 the changes to income were quite small for Dairy, General Cropping, and Horticulture. Cereals and Lowland Grazing Livestock farms had large reductions in their Farm Business Income.

For 2020/21 all farm types had improved incomes but the majority of farm types had modest changes.

Figure 7: Trends in Farm Business Income per farm by farm types, South West England

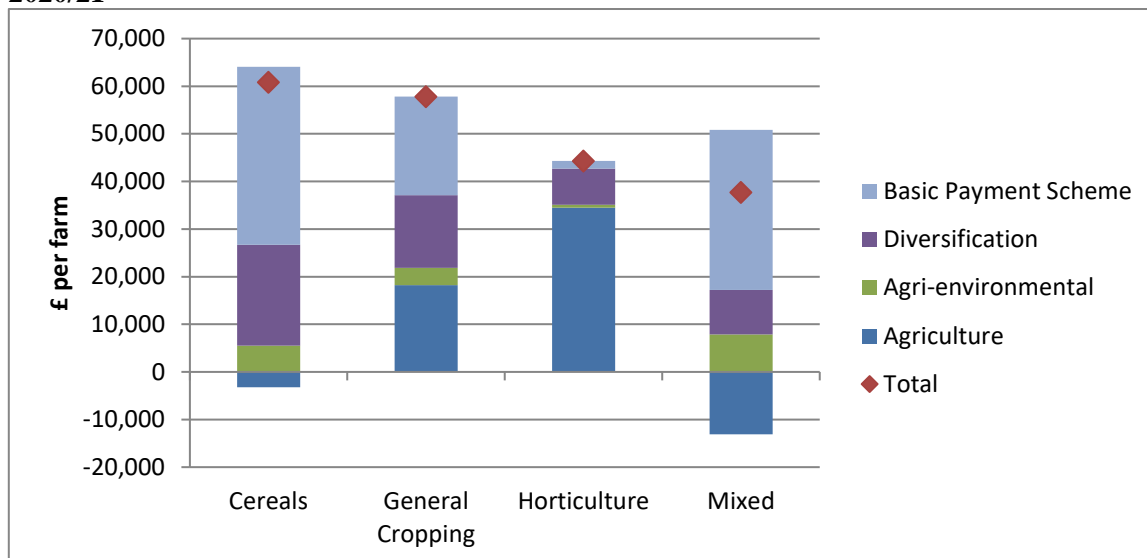


Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Cereal Farms

In 2020/21 the average Farm Business Income increased by 34% to £60,800 as compared to the previous year. Total output was 11% higher with crop output increased by higher cereals prices but with lower yields (Figure 9). The Cereals farms achieved a positive income from their agricultural activity of £26,000 in 2018/19 but this became a loss of £19,500 in 2019/20 and in 2020/21 a loss of £3,250 (Figure 8). The Basic Payment Scheme income was 61% of the total Farm Business Income.

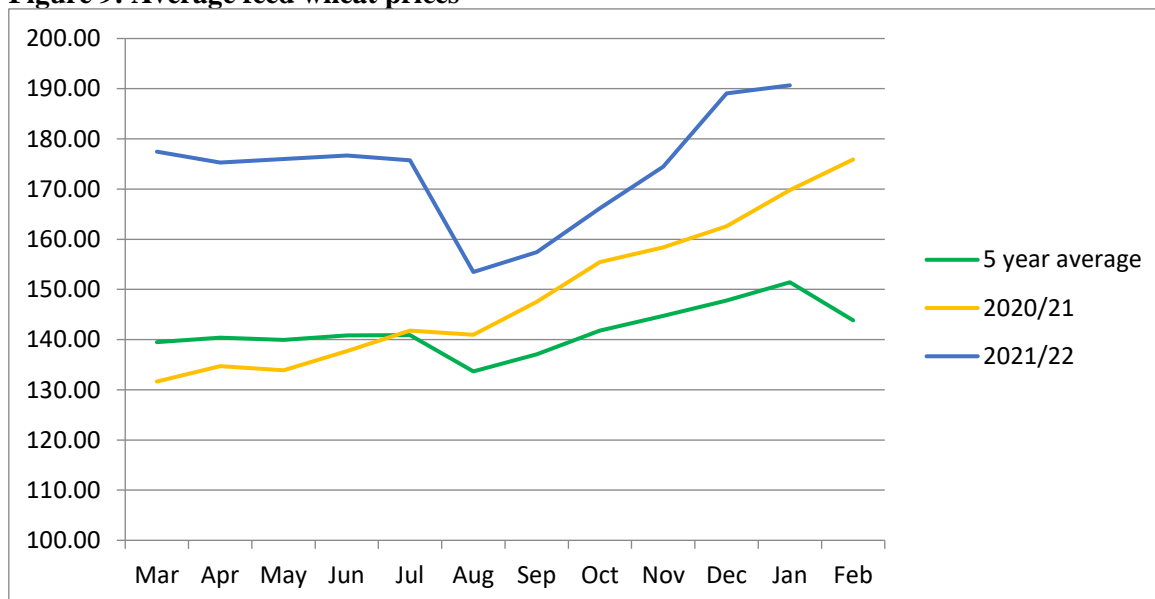
Figure 8: Farm Business Income of cropping type farms by cost centre, South West England 2020/21²



Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Average seed, fertiliser, crop protection and other crop costs were all similar to the previous year. Total variable costs are unchanged while fixed costs have increased (up 13%). Figure 10 illustrates the initial increases in the Producer Price index of fertilisers which have continued to rise.

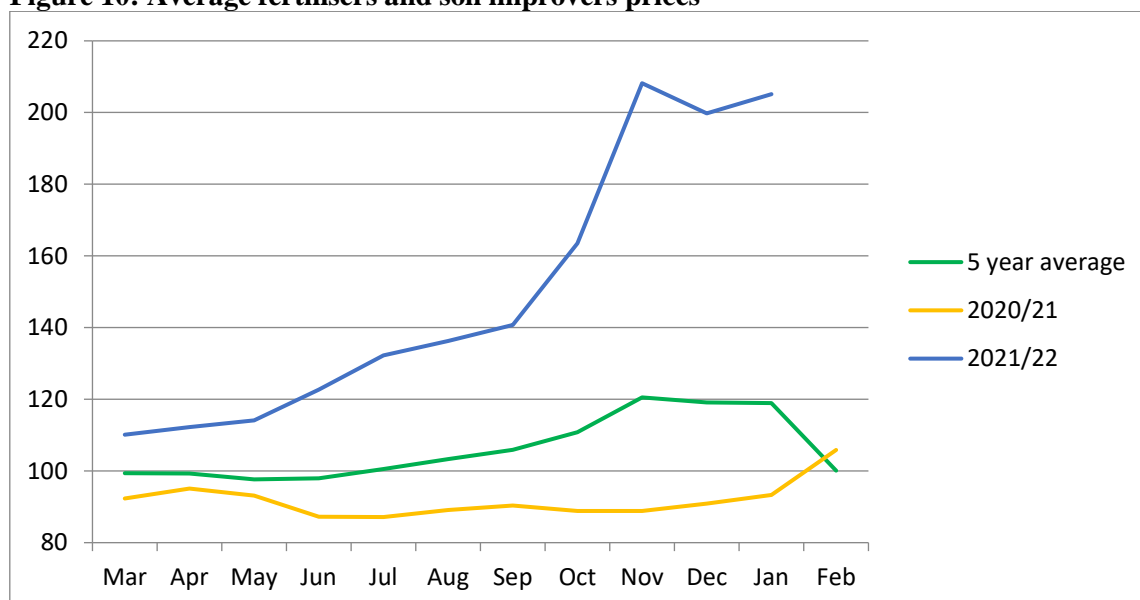
Figure 9: Average feed wheat prices



Source: *Index of Producer Prices of Agriculture*

² Caution is needed in interpreting results where there are less than 15 farms in the sample. There are only 12 General cropping farms

Figure 10: Average fertilisers and soil improvers prices

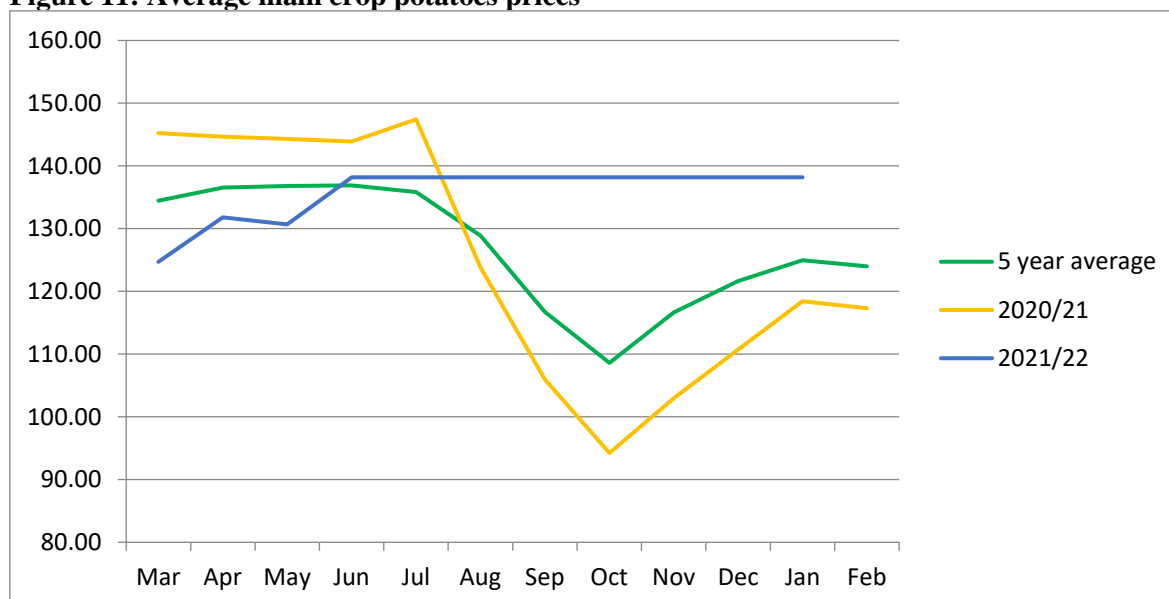


Source: Index of Producer Prices of Agriculture

General Cropping

The General Cropping group only had 12 farms for 2019/20 so caution is needed in interpreting the results. The average Farm Business Income on general cropping farms in 2020/21 was £58,000 as compared to the Farm Business Income of £48,000 in 2019/20. In the South West of England the potato crop is important to this type of farm and the output from potatoes was higher than the previous year with better yields but prices running below the five year average for much of the year (Figure 11). Total farm output increased by 21% and, with increases in both in variable costs and fixed costs, the Farm Business Income rose by 19%. The agriculture costs centre made £18,200 rather than the £5,700 the previous year.

Figure 11: Average main crop potatoes prices



Source: Index of Producer Prices of Agriculture

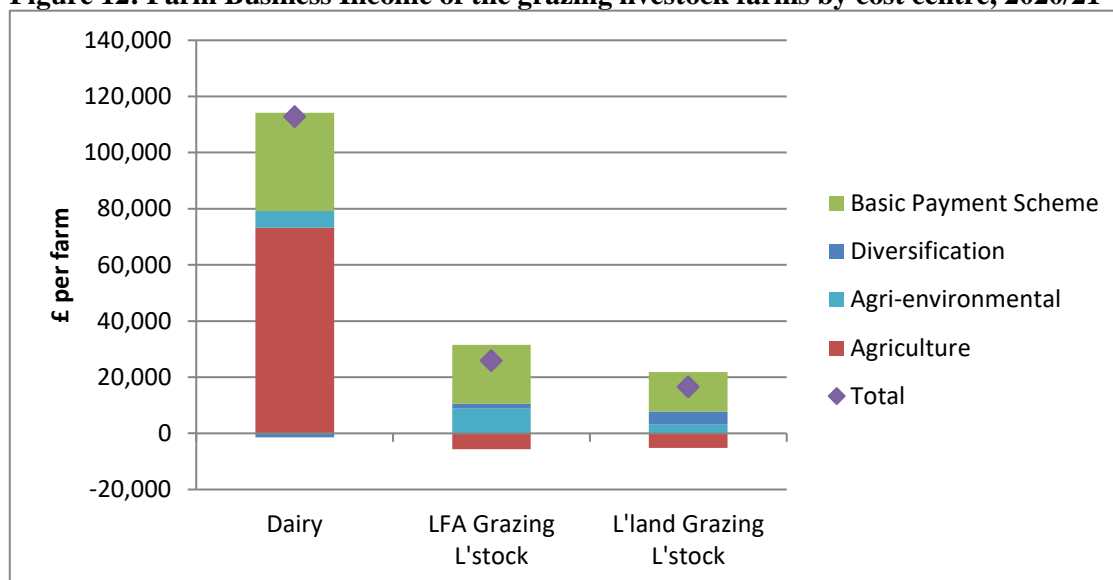
Horticultural farms

Farms in this group cover the three main sectors of fruit, vegetables and non-edibles, grown both outdoors and under cover. The average represents all these types and the Farm Business Income increased by 2% to £44,000 in 2020/21. Total crop output decreased by 26%, top fruit and soft fruit & strawberries showing the largest percentage decreases in output. No crop type increased output. Total variable costs decreased by 23% with seeds and other crop costs each decreasing by over £9,000. Figure 8 shows the cost centres and how the agricultural cost centre is the most important in terms of Farm Business Income to this group of farms.

Mixed farms

In 2020/21 the Farm Business Income for the Mixed farms increased by over £4,000, a 12% increase as compared to the previous year. Total farm output improved by 5% with the biggest increase coming from livestock output. The Agri-environmental income and Basic Payment Scheme receipts were higher than the previous year but Diversification lower. The Agriculture cost centre made a loss of £13,000 which then leaves the Basic Payment Scheme cost centre income of £33,000 as 89% of the total Farm Business Income (see Figure 8).

Figure 12: Farm Business Income of the grazing livestock farms by cost centre, 2020/21



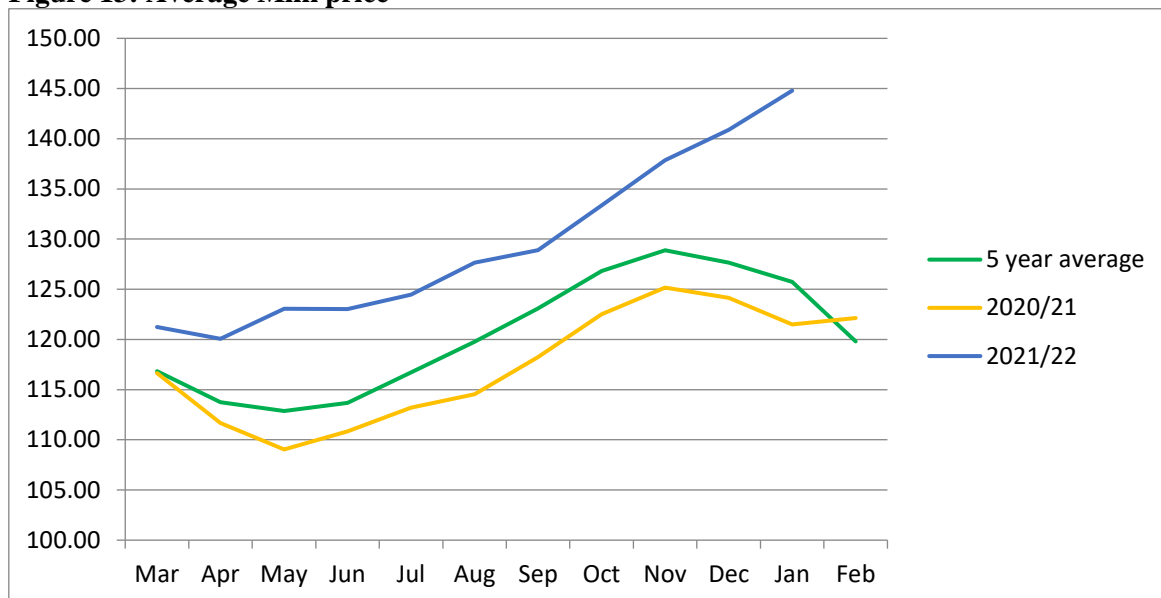
Source: <http://www.farmbusinesssurvey.co.uk/regional/Data.asp>.

Dairy farms

The average Farm Business Income on Dairy farms was £113,000 in 2020/21, an increase of 8% in income compared to the previous year. Total farm output increased by 7% with higher milk yields but unchanged milk price (illustrated in Figure 13) and number of cows kept. Total input costs increased by 6% compared to the previous year with feed (Figure 14) increasing 3%. Concentrate feed costs represent 60% of the variable costs. The cost per tonne of compound feed was on an increasing plane throughout the majority of 2020/21 year and beyond.

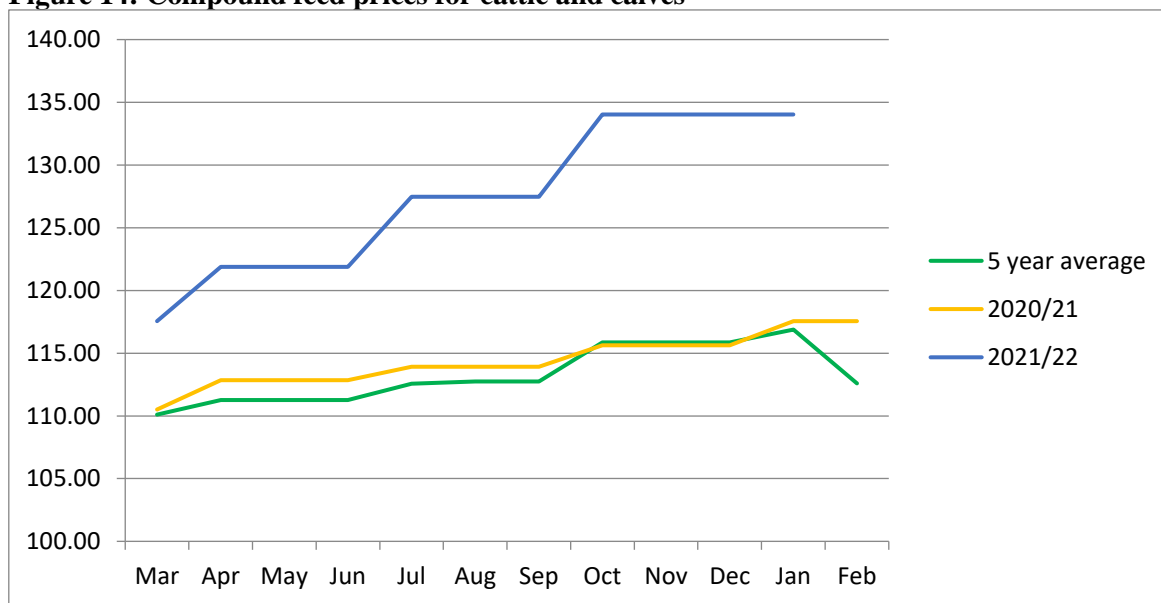
The Agriculture cost centre for the Dairy farms was positive (£73,000) which was £15,000 higher than in 2019/20. It represents 65% of the total Farm Business Income. The Basic Payment Scheme cost centre still represents close to a third of the total Farm Business Income at £35,000.

Figure 13: Average Milk price



Source: Index of Producer Prices of Agriculture

Figure 14: Compound feed prices for cattle and calves

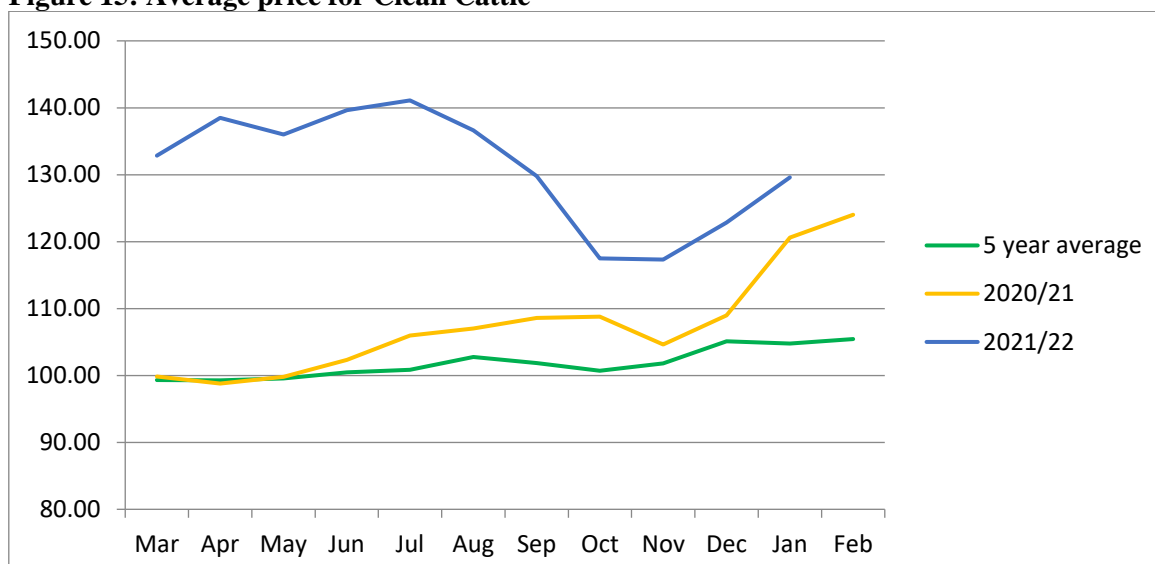


Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Lowland)

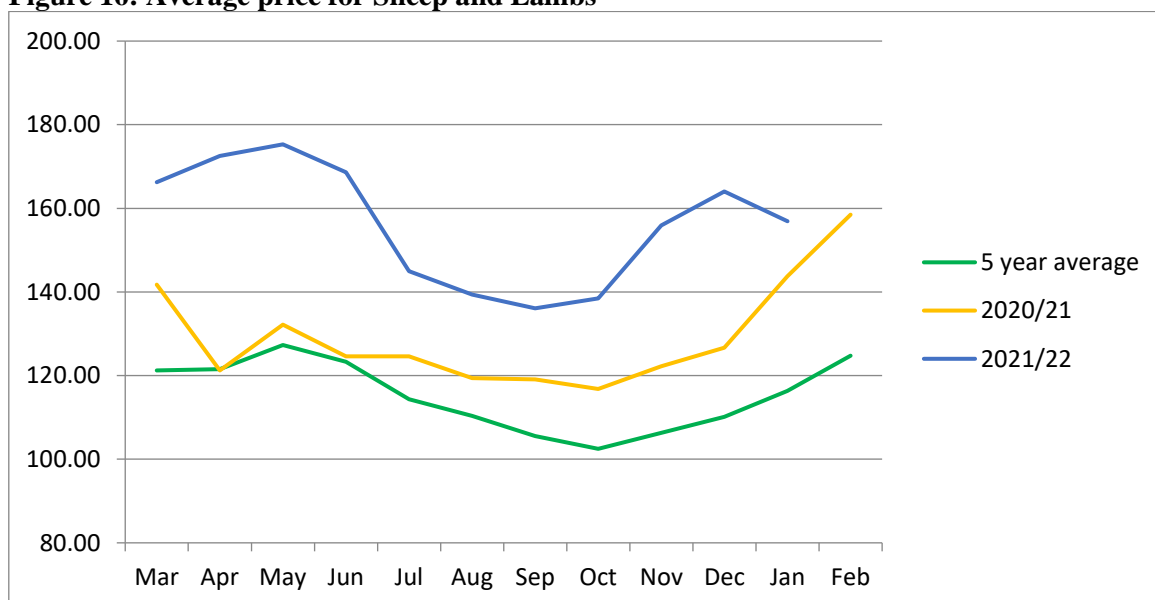
In 2020/21 the average Farm Business Income on Lowland Grazing Livestock farms increased by £12,500, to £16,500, returning to the 2018/19 level but still £3,500 below the level of 2017/18. Total farm output increased by 14% with increases from all sources of revenue. Cattle output, the main revenue source, was 18% higher and sheep output increased by 26% with prices illustrated in Figures 15 and 16. Total input costs are unchanged. On average, these farms failed to make a positive return from agriculture reflecting the continuing difficult trading conditions for beef and sheep farmers throughout the year (Figure 12), the loss being £5,200. The contribution from the Basic Payment Scheme was significant on these farms, representing more than 80% of the total Farm Business Income.

Figure 15: Average price for Clean Cattle



Source: Index of Producer Prices of Agriculture

Figure 16: Average price for Sheep and Lambs



Source: Index of Producer Prices of Agriculture

Grazing Livestock Farms (Less Favoured Area)

The changes to Farm Business Income from the farms in the Less Favoured Area (LFA) normally follows the pattern of the lowland grazing livestock farms, but this year FBI increased by 11%. The losses made from agriculture and the dependence on BPS is common to all beef and sheep producers. Average Farm Business Income on LFA grazing livestock farms was £25,900 in 2020/21. The Output from livestock increased by 11% with higher output from both cattle (6%) and sheep (17%). The Basic Payment Scheme receipts were £1,100 lower and Agri-environmental income decreased by 15%, mainly due to the catching up on payments for the stewardship schemes in the previous year. Total inputs were 5% lower with little significant change to variable costs and fixed costs.

Cereal farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
	£ per farm hectare				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	64	.	24	.	
Herd depreciation	-4	.	0	.	
Sheep	30	.	29	.	
Flock depreciation	-5	.	-4	.	
Pigs	0	.	0	.	
Poultry	0	.	0	.	
Other livestock	0	.	1	.	
Cereals	639	.	475	.	
Oilseeds	116	.	99	.	
Pulses	3	.	18	.	
Other crops	0	.	7	.	
Straw	86	.	75	.	
Forage	128	.	91	.	
Agri-environment schemes and management agreements	33	.	37	.	
Rental income and imputed farmhouse rental equivalent	155	.	109	.	
Hirework	28	.	83	.	
Renewable energy generation	66	.	12	.	
Miscellaneous output	53	.	48	.	
Cultivations	5	.	0	.	
Basic Payment Scheme	230	.	222	.	
TOTAL FARM OUTPUT #	1628	.	1326	.	
<u>Variable costs</u>					
Concentrates	8	.	9	.	
Purchased fodder	3	.	3	.	
Veterinary and medicines	6	.	5	.	
Other livestock costs	15	.	9	.	
Seeds	55	.	63	.	
Fertilisers	137	.	127	.	
Crop protection	114	.	105	.	
Other crop costs	36	.	26	.	
TOTAL VARIABLE COSTS	372	.	347	.	
TOTAL GROSS MARGIN #	1256	.	979	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1256	.	979	.	
<u>Fixed costs</u>					
Paid labour	62	.	98	.	
Unpaid family labour	23	.	54	.	
Casual labour	7	.	9	.	
Contract	74	.	111	.	
Machinery repairs	47	.	81	.	
Machinery fuel	32	.	43	.	
Machinery depreciation	152	.	178	.	
Other depreciation	0	.	0	.	
Property maintenance	62	.	77	.	
Electricity	14	.	16	.	
Other fuel	7	.	8	.	
Water	4	.	3	.	
Insurance	34	.	47	.	
Professional fees	38	.	42	.	
Other general costs	28	.	36	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	585	.	803	.	
PROFIT BEFORE RENT AND INTEREST	671	.	175	.	
Rent, hired in keep and bare land	61	.	61	.	
Rates	1	.	0	.	
Long-term interest	8	.	16	.	
Short-term interest	2	.	7	.	
Interest received (-)	0	.	0	.	
NET PROFIT##	600	.	91	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	9	.	23	.	
Plus - Landlord type repairs (included in property maintenance)	3	.	4	.	
Less - Rental value (of owner occupied land and buildings)	178	.	179	.	
NET FARM INCOME## (NFI)	434	.	-61	.	
Less farmer and spouse labour	89	.	106	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	345	.	-167	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
	per £100 output				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	4	.	2	.	
Sheep	2	.	2	.	
Pigs, poultry and other livestock	0	.	0	.	
Cereals	39	.	36	.	
Other cash crops	7	.	9	.	
Straw and forage	13	.	13	.	
Management agreements and agri-environment schemes	2	.	3	.	
Miscellaneous output	19	.	19	.	
Basic Payment Scheme	14	.	17	.	
TOTAL OUTPUT**	100	.	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	1	.	1	.	
Veterinary, medicines and other livestock costs	1	.	1	.	
Seeds	3	.	5	.	
Fertilisers	8	.	10	.	
Crop protection and other crop costs	9	.	10	.	
TOTAL VARIABLE COSTS	23	.	26	.	
TOTAL GROSS MARGIN**	77	.	74	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	5	.	11	.	
Casual labour	0	.	1	.	
Contract	5	.	8	.	
Machinery repairs and fuel	5	.	9	.	
Machinery and other depreciation	9	.	13	.	
Property maintenance	4	.	6	.	
Electricity, other fuel and water	2	.	2	.	
Other general costs	6	.	9	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	36	.	61	.	
PROFIT BEFORE RENT AND INTEREST	41	.	13	.	
Rent and rates	4	.	5	.	
Long-term interest paid	0	.	1	.	
Short-term interest paid	0	.	1	.	
Interest received (-)	0	.	0	.	
PROFIT**	37	.	7	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
<u>Land use</u>					
Percentage cropped	74	.	70	.	
Percentage forage	26	.	30	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	.	
Other cattle	15	.	6	.	
Sheep	6	.	5	.	
Other livestock	2	.	2	.	
Total	23	.	13	.	
GLUs per ha	0.62	.	0.30	.	
GLUs per adjusted ha	0.62	.	0.30	.	
<u>Technical efficiency</u>					
<u>Dairy##</u>					
Milk yield per cow		.		.	
Pence per litre		.		.	
Milk output per cow		.		.	
<u>Finished cattle and lambs</u>					
£ per finished animal	728	.	1109	.	
£ per finished lamb	89	.	92	.	
<u>Cereals##</u>					
Winter wheat					
Yield - tonnes per hectare	9.7	.	7.1	.	
Price per tonne	182	.	174	.	
Winter barley					
Yield - tonnes per hectare	6.8	.	6.7	.	
Price per tonne	138	.	140	.	
Spring barley					
Yield - tonnes per hectare	6.5	.	5.9	.	
Price per tonne	146	.	144	.	
Winter oats					
Yield - tonnes per hectare	8.4	.	4.7	.	
Price per tonne	173	.	160	.	
All cereals					
Yield - tonnes per hectare	8.1	.	6.4	.	
Price per tonne	168	.	160	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Cereal farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	136	.	75	.	
Crops, forage and cultivations	388	.	377	.	
Stores	186	.	268	.	
Machinery	969	.	1195	.	
Basic Payment Scheme	214	.	206	.	
Miscellaneous business assets & other assets	39	.	9	.	
Total physical assets	1932	.	2129	.	
Liquid assets	881	.	596	.	
Tenant's capital (TC)	2813	.	2725	.	
Management & investment income (M&I)**	345	.	-167	.	
Return on tenant's capital (M&I as % of average TC)	12.3%	.	-6.1%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	23	.	26	.	
Gross margin	77	.	74	.	
Fixed costs (excluding rent and interest)	36	.	61	.	
Net profit	37	.	7	.	
Net farm income	27	.	-5	.	
Farmer and spouse	5	.	8	.	
Management & Investment Income	21	.	-13	.	
Tenant's capital	173	.	206	.	
Total assets	1001	.	1258	.	
Total external liabilities	28	.	68	.	
Net worth	973	.	1189	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	182	.	267	.	
Costs (£ per £100 output)	11	.	20	.	
Costs (£ per £100 gross margin)	14	.	27	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	305	.	413	.	
Costs (£ per £100 output)	19	.	31	.	
Costs (£ per £100 gross margin)	24	.	42	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	487	.	680	.	
Costs (£ per £100 output)	30	.	51	.	
Costs (£ per £100 gross margin)	39	.	70	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Cereal farms

END-OF-YEAR BALANCE SHEETS, 2020/2021

	Under 200 hectares		Over 200 hectares		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	753	.	730	.	
Number of farms in FBS sample	14	.	18	.	
Average farmed area (hectares)	182	.	173	.	
Average proportion of total farmed area tenanted or hired (%)	26%	.	30%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	13392	.	13995	.	
Basic Payment Scheme	205	.	196	.	
Machinery	989	.	1206	.	
Tenant's other assets	2	.	9	.	
Breeding livestock	81	.	22	.	
Total fixed assets	14669	.	15429	.	
Suckler cow and ewe premium quota					
Trading livestock	55	.	46	.	
Crops	293	.	243	.	
Forage and cultivations	105	.	90	.	
Stores	172	.	267	.	
Debtors and loans	456	.	132	.	
Bank credit and cash	533	.	466	.	
Other current assets	11	.	0	.	
Total current assets	1625	.	1243	.	
Total assets	16294	.	16672	.	
Financed by					
Institutional loans	153	.	196	.	
Bank loans	68	.	418	.	
Other long term	77	.	0	.	
Total long term	297	.	614	.	
HP and lease	71	.	115	.	
Creditors	72	.	141	.	
Bank overdraft	9	.	35	.	
Other short term	0	.	0	.	
Total current liabilities	152	.	292	.	
Total Liabilities	450	.	906	.	
Net worth	15844	.	15766	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	97%	.	95%	.	
% Fixed assets vs. total assets	90%	.	93%	.	
Gearing (long-term loans vs. total assets)	2%	.	4%	.	
Total debt (external liabilities vs. net worth)	3%	.	6%	.	
Current Ratio (current assets vs. current liabilities)	1068%	.	426%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	650%	.	205%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
	£ per farm hectare				
<u>Output</u>					
Milk	2107	2396	2913	.	
Cattle	619	591	733	.	
Herd depreciation	-202	-188	-277	.	
Sheep	7	4	0	.	
Flock depreciation	0	0	0	.	
Pigs	1	0	0	.	
Poultry	0	0	0	.	
Other livestock	0	0	0	.	
Cereals	130	95	295	.	
Oilseeds	6	0	13	.	
Pulses	0	0	5	.	
Other crops	1	0	0	.	
Straw	17	14	29	.	
Forage	20	2	3	.	
Agri-environment schemes and management agreements	46	30	15	.	
Rental income and imputed farmhouse rental equivalent	24	18	41	.	
Hirework	25	1	125	.	
Renewable energy generation	17	2	10	.	
Miscellaneous output	1	2	25	.	
Cultivations	1	1	-1	.	
Basic Payment Scheme	199	193	179	.	
TOTAL FARM OUTPUT #	3017	3160	4106	.	
<u>Variable costs</u>					
Concentrates	654	650	900	.	
Purchased fodder	32	25	52	.	
Veterinary and medicines	77	90	94	.	
Other livestock costs	215	223	275	.	
Seeds	40	47	60	.	
Fertilisers	114	125	127	.	
Crop protection	31	34	52	.	
Other crop costs	24	21	21	.	
TOTAL VARIABLE COSTS	1188	1215	1582	.	
TOTAL GROSS MARGIN #	1829	1945	2524	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1829	1945	2524	.	
<u>Fixed costs</u>					
Paid labour	212	234	411	.	
Unpaid family labour	118	76	53	.	
Casual labour	17	18	31	.	
Contract	166	211	260	.	
Machinery repairs	110	121	145	.	
Machinery fuel	54	57	73	.	
Machinery depreciation	190	154	187	.	
Other depreciation	0	0	0	.	
Property maintenance	79	88	168	.	
Electricity	58	68	55	.	
Other fuel	2	4	4	.	
Water	24	28	34	.	
Insurance	49	47	34	.	
Professional fees	32	27	42	.	
Other general costs	39	50	52	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1148	1182	1546	.	
PROFIT BEFORE RENT AND INTEREST	681	763	978	.	
Rent, hired in keep and bare land	121	115	156	.	
Rates	0	0	0	.	
Long-term interest	35	24	88	.	
Short-term interest	14	16	13	.	
Interest received (-)	0	0	0	.	
NET PROFIT##	511	608	721	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	49	39	101	.	
Plus - Landlord type repairs (included in property maintenance)	3	3	2	.	
Less - Rental value (of owner occupied land and buildings)	208	225	198	.	
NET FARM INCOME## (NFI)	354	426	626	.	
Less farmer and spouse labour	223	221	115	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	131	205	511	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

FINANCIAL COMPARISONS per £100 OUTPUT, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
	per £100 output				
<u>Output</u>					
Milk	70	76	71	.	
Cattle	14	13	11	.	
Sheep	0	0	0	.	
Pigs, poultry and other livestock	0	0	0	.	
Cereals	4	3	7	.	
Other cash crops	0	0	0	.	
Straw and forage	1	1	1	.	
Management agreements and agri-environment schemes	2	1	0	.	
Miscellaneous output	2	1	5	.	
Basic Payment Scheme	7	6	4	.	
TOTAL OUTPUT**	100	100	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	23	21	23	.	
Veterinary, medicines and other livestock costs	10	10	9	.	
Seeds	1	1	1	.	
Fertilisers	4	4	3	.	
Crop protection and other crop costs	2	2	2	.	
TOTAL VARIABLE COSTS	39	38	39	.	
TOTAL GROSS MARGIN**	61	62	61	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	11	10	11	.	
Casual labour	1	1	1	.	
Contract	6	7	6	.	
Machinery repairs and fuel	5	6	5	.	
Machinery and other depreciation	6	5	5	.	
Property maintenance	3	3	4	.	
Electricity, other fuel and water	3	3	2	.	
Other general costs	4	4	3	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	38	37	38	.	
PROFIT BEFORE RENT AND INTEREST	23	24	24	.	
Rent and rates	4	4	4	.	
Long-term interest paid	1	1	2	.	
Short-term interest paid	0	0	0	.	
Interest received (-)	0	0	0	.	
PROFIT**	17	19	18	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
<u>Land use</u>					
Percentage cropped	46	49	46	.	
Percentage forage	54	51	54	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	136	137	325	.	
Other cattle	78	74	148	.	
Sheep	1	1	0	.	
Other livestock	0	0	0	.	
Total	215	212	473	.	
GLUs per ha	1.66	1.69	2.14	.	
GLUs per adjusted ha	1.68	1.69	2.15	.	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow	7922	8139	8666	.	
Pence per litre	29.8	30.5	30.3	.	
Milk output per cow	2361	2483	2625	.	
<u>Finished cattle and lambs</u>					
£ per finished animal	1157	1089	1191	.	
£ per finished lamb	91	84		.	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	8.7	7.5	9.9	.	
Price per tonne	183	179	177	.	
Winter barley					
Yield - tonnes per hectare	5.5		8.4	.	
Price per tonne	151		134	.	
Spring barley					
Yield - tonnes per hectare	5.9	6.1		.	
Price per tonne	139	135		.	
Winter oats					
Yield - tonnes per hectare	4.9			.	
Price per tonne	118			.	
All cereals					
Yield - tonnes per hectare	7.2	6.7	9.1	.	
Price per tonne	171	156	170	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Dairy farms

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	1596	1708	1896	.	
Crops, forage and cultivations	171	216	223	.	
Stores	135	114	172	.	
Machinery	1305	1002	1227	.	
Basic Payment Scheme	188	187	167	.	
Miscellaneous business assets & other assets	82	83	103	.	
Total physical assets	3478	3311	3788	.	
Liquid assets	603	674	656	.	
Tenant's capital (TC)	4080	3985	4444	.	
Management & investment income (M&I)**	131	205	511	.	
Return on tenant's capital (M&I as % of average TC)	3.2%	5.1%	11.5%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	39	38	39	.	
Gross margin	61	62	61	.	
Fixed costs (excluding rent and interest)	38	37	38	.	
Net profit	17	19	18	.	
Net farm income	12	13	15	.	
Farmer and spouse	7	7	3	.	
Management & Investment Income	4	6	12	.	
Tenant's capital	135	126	108	.	
Total assets	481	520	395	.	
Total external liabilities	64	58	113	.	
Net worth	418	461	282	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	569	548	609	.	
Costs (£ per £100 output)	19	17	15	.	
Costs (£ per £100 gross margin)	31	28	24	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	520	544	665	.	
Costs (£ per £100 output)	17	17	16	.	
Costs (£ per £100 gross margin)	28	28	26	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	1089	1092	1274	.	
Costs (£ per £100 output)	36	35	31	.	
Costs (£ per £100 gross margin)	60	56	50	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Dairy farms

END-OF-YEAR BALANCE SHEETS, 2020/2021

	Under 200 cows		Over 200 cows		Your farm
	Average	Premium*	Average	Premium**	
Number of farms in the population	928	263	509	.	
Number of farms in FBS sample	35	10	13	.	
Average farmed area (hectares)	152	142	293	.	
Average proportion of total farmed area tenanted or hired (%)	54%	51%	54%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	10303	12175	11584	.	
Basic Payment Scheme	181	181	160	.	
Machinery	1308	1004	1245	.	
Tenant's other assets	7	0	0	.	
Breeding livestock	1268	1349	1533	.	
Total fixed assets	13067	14710	14522	.	
Suckler cow and ewe premium quota					
Trading livestock	404	433	443	.	
Crops	60	42	70	.	
Forage and cultivations	109	172	123	.	
Stores	134	127	178	.	
Debtors and loans	301	249	441	.	
Bank credit and cash	373	613	322	.	
Other current assets	73	75	102	.	
Total current assets	1455	1711	1678	.	
Total assets	14522	16421	16200	.	
Financed by					
Institutional loans	113	9	53	.	
Bank loans	1015	911	3271	.	
Other long term	154	322	249	.	
Total long term	1282	1242	3573	.	
HP and lease	142	88	250	.	
Creditors	269	298	286	.	
Bank overdraft	221	216	509	.	
Other short term	4	2	1	.	
Total current liabilities	636	603	1047	.	
Total Liabilities	1918	1846	4620	.	
Net worth	12604	14575	11581	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	87%	89%	71%	.	
% Fixed assets vs. total assets	90%	90%	90%	.	
Gearing (long-term loans vs. total assets)	9%	8%	22%	.	
Total debt (external liabilities vs. net worth)	15%	13%	40%	.	
Current Ratio (current assets vs. current liabilities)	229%	284%	160%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	106%	143%	73%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
	£ per farm hectare				
<u>Output</u>					
Milk	0	0	0	0	
Cattle	613	613	449	449	
Herd depreciation	-27	-27	-24	-24	
Sheep	157	157	245	245	
Flock depreciation	-12	-12	-23	-23	
Pigs	2	2	0	0	
Poultry	0	0	4	4	
Other livestock	0	0	37	37	
Cereals	25	25	65	65	
Oilseeds	0	0	1	1	
Pulses	0	0	1	1	
Other crops	0	0	5	5	
Straw	4	0	17	0	
Forage	43	43	19	19	
Agri-environment schemes and management agreements	31	31	50	50	
Rental income and imputed farmhouse rental equivalent	62	62	51	51	
Hirework	52	52	38	38	
Renewable energy generation	15	15	9	9	
Miscellaneous output	125	125	26	26	
Cultivations	0	0	0	0	
Basic Payment Scheme	213	213	192	192	
TOTAL FARM OUTPUT #	1303	1299	1163	1146	
<u>Variable costs</u>					
Concentrates	122	122	133	133	
Purchased fodder	13	13	13	13	
Veterinary and medicines	33	33	29	29	
Other livestock costs	103	103	77	77	
Seeds	10	10	23	23	
Fertilisers	57	57	55	55	
Crop protection	6	6	16	16	
Other crop costs	15	15	11	11	
TOTAL VARIABLE COSTS	360	360	358	358	
TOTAL GROSS MARGIN #	944	940	805	787	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	944	940	805	787	
<u>Fixed costs</u>					
Paid labour	8	8	60	60	
Unpaid family labour	60	60	65	65	
Casual labour	4	4	8	8	
Contract	80	80	58	58	
Machinery repairs	87	87	52	52	
Machinery fuel	46	46	37	37	
Machinery depreciation	136	136	91	91	
Other depreciation	0	0	0	0	
Property maintenance	64	64	62	62	
Electricity	13	13	12	12	
Other fuel	4	4	2	2	
Water	15	15	8	8	
Insurance	55	55	39	39	
Professional fees	34	34	24	24	
Other general costs	54	54	29	29	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	658	658	545	545	
PROFIT BEFORE RENT AND INTEREST	285	281	260	242	
Rent, hired in keep and bare land	61	61	72	72	
Rates	2	2	0	0	
Long-term interest	11	11	12	12	
Short-term interest	9	9	6	6	
Interest received (-)	0	0	0	0	
NET PROFIT##	202	198	170	152	
Reconciliation of Profit to NFI and M&II					
Plus - Interest charges (net)	20	20	18	18	
Plus - Landlord type repairs (included in property maintenance)	5	5	8	8	
Less - Rental value (of owner occupied land and buildings)	167	167	127	127	
NET FARM INCOME## (NFI)	59	55	69	52	
Less farmer and spouse labour	420	420	187	187	
MANAGEMENT AND INVESTMENT INCOME** (M&II)	-361	-365	-118	-135	

* Top third selected on Management and investment income per hectare

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

FINANCIAL COMPARISONS per £100 OUTPUT, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
	per £100 output				
Output					
Milk	0	0	0	0	
Cattle	45	45	37	37	
Sheep	11	11	19	19	
Pigs, poultry and other livestock	0	0	4	4	
Cereals	2	2	6	6	
Other cash crops	0	0	1	1	
Straw and forage	4	3	3	2	
Management agreements and agri-environment schemes	2	2	4	4	
Miscellaneous output	19	20	11	11	
Basic Payment Scheme	16	16	16	17	
TOTAL OUTPUT**	100	100	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	10	10	13	13	
Veterinary, medicines and other livestock costs	10	10	9	9	
Seeds	1	1	2	2	
Fertilisers	4	4	5	5	
Crop protection and other crop costs	2	2	2	2	
TOTAL VARIABLE COSTS	28	28	31	31	
TOTAL GROSS MARGIN**	72	72	69	69	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	5	5	11	11	
Casual labour	0	0	1	1	
Contract	6	6	5	5	
Machinery repairs and fuel	10	10	8	8	
Machinery and other depreciation	10	10	8	8	
Property maintenance	5	5	5	5	
Electricity, other fuel and water	2	2	2	2	
Other general costs	11	11	8	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	51	51	47	48	
PROFIT BEFORE RENT AND INTEREST	22	22	22	21	
Rent and rates	5	5	6	6	
Long-term interest paid	1	1	1	1	
Short-term interest paid	1	1	1	1	
Interest received (-)	0	0	0	0	
PROFIT**	15	15	15	13	

* Top third selected on Management and investment income per hectare

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
<u>Land use</u>					
Percentage cropped	66	66	53	53	
Percentage forage	34	34	47	47	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	0	0	0	
Other cattle	45	47	79	84	
Sheep	8	9	34	35	
Other livestock	1	1	3	3	
Total	54	57	116	122	
GLUs per ha	1.06	1.06	0.96	0.96	
GLUs per adjusted ha	1.07	1.07	1.00	1.00	
<u>Technical efficiency###</u>					
<u>Dairy</u>					
Milk yield per cow					
Pence per litre					
Milk output per cow					
<u>Finished cattle and lambs</u>					
£ per finished animal	1195	1195	1202	1202	
£ per finished lamb	93	93	93	93	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare			7.3	7.3	
Price per tonne			182	182	
Winter barley					
Yield - tonnes per hectare	7.0	7.0	6.7	6.7	
Price per tonne	133	133	143	143	
Spring barley					
Yield - tonnes per hectare	4.1	4.1	5.6	5.6	
Price per tonne	214	214	146	146	
Winter oats					
Yield - tonnes per hectare			5.5	5.5	
Price per tonne			126	126	
All cereals					
Yield - tonnes per hectare	4.5	4.5	5.9	5.9	
Price per tonne	195	195	155	155	

* Top third selected on Management and investment income per hectare

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Lowland Grazing Livestock

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
	£ per farm hectare				
Tenant's capital formation					
Livestock	1044	1044	977	977	
Crops, forage and cultivations	79	79	96	96	
Stores	90	90	65	65	
Machinery	897	897	587	587	
Basic Payment Scheme	205	205	180	180	
Miscellaneous business assets & other assets	14	14	5	5	
Total physical assets	2330	2330	1909	1909	
Liquid assets	615	615	324	324	
Tenant's capital (TC)	2944	2944	2234	2234	
Management & investment income (M&I)**	-361	-365	-118	-135	
Return on tenant's capital (M&I as % of average TC)	-12.3%	-12.4%	-5.3%	-6.0%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	28	28	31	31	
Gross margin	72	72	69	69	
Fixed costs (excluding rent and interest)	51	51	47	48	
Net profit	15	15	15	13	
Net farm income	5	4	6	5	
Farmer and spouse	32	32	16	16	
Management & Investment Income	-28	-28	-10	-12	
Tenant's capital	226	227	192	195	
Total assets	1294	1298	1023	1038	
Total external liabilities	72	72	57	58	
Net worth	1222	1226	966	981	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	492	492	319	319	
Costs (£ per £100 output)	38	38	27	28	
Costs (£ per £100 gross margin)	52	52	40	41	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	349	349	237	237	
Costs (£ per £100 output)	27	27	20	21	
Costs (£ per £100 gross margin)	37	37	29	30	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	841	841	556	556	
Costs (£ per £100 output)	65	65	48	49	
Costs (£ per £100 gross margin)	89	89	69	71	

* Top third selected on Management and investment income per hectare

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Lowland Grazing Livestock

END-OF-YEAR BALANCE SHEETS, 2020/2021

	Under 100 hectares		Over 100 hectares		Your farm
	Average	Premium*	Average	Premium*	
Number of farms in the population	3138	3025	971	920	
Number of farms in FBS sample	41	41	38	38	
Average farmed area (hectares)	57	59	136	144	
Average proportion of total farmed area tenanted or hired (%)	34%	34%	47%	47%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	13916	13916	9584	9584	
Basic Payment Scheme	199	199	175	175	
Machinery	907	907	611	611	
Tenant's other assets	2	2	0	0	
Breeding livestock	453	453	494	494	
Total fixed assets	15477	15477	10863	10863	
Suckler cow and ewe premium quota					
Trading livestock	606	606	494	494	
Crops	4	4	30	30	
Forage and cultivations	75	75	60	60	
Stores	92	92	66	66	
Debtors and loans	182	182	156	156	
Bank credit and cash	425	425	223	223	
Other current assets	4	4	1	1	
Total current assets	1388	1388	1031	1031	
Total assets	16865	16865	11895	11895	
Financed by					
Institutional loans	26	26	90	90	
Bank loans	382	382	301	301	
Other long term	133	133	37	37	
Total long term	540	540	428	428	
HP and lease	48	48	42	42	
Creditors	187	187	98	98	
Bank overdraft	158	158	92	92	
Other short term	0	0	2	2	
Total current liabilities	394	394	234	234	
Total Liabilities	933	933	662	662	
Net worth	15931	15931	11233	11233	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	94%	94%	94%	94%	
% Fixed assets vs. total assets	92%	92%	91%	91%	
Gearing (long-term loans vs. total assets)	3%	3%	4%	4%	
Total debt (external liabilities vs. net worth)	6%	6%	6%	6%	
Current Ratio (current assets vs. current liabilities)	353%	353%	440%	440%	
Liquidity Ratio (liquid assets vs. current liabilities)	154%	154%	162%	162%	

* Top third selected on Management and investment income per hectare

Organic farms have been excluded from this benchmarking data
Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
£ per farm hectare					
<u>Output</u>					
Milk	0	.	0	.	
Cattle	222	.	435	.	
Herd depreciation	-16	.	-6	.	
Sheep	277	.	348	.	
Flock depreciation	-46	.	-50	.	
Pigs	0	.	0	.	
Poultry	0	.	0	.	
Other livestock	0	.	0	.	
Cereals	0	.	2	.	
Oilseeds	0	.	0	.	
Pulses	0	.	0	.	
Other crops	0	.	0	.	
Straw	0	.	0	.	
Forage	6	.	35	.	
Agri-environment schemes and management agreements	105	.	90	.	
Rental income and imputed farmhouse rental equivalent	6	.	33	.	
Hirework	11	.	27	.	
Renewable energy generation	6	.	1	.	
Miscellaneous output	6	.	38	.	
Cultivations	0	.	0	.	
Basic Payment Scheme	191	.	226	.	
TOTAL FARM OUTPUT #	768	.	1178	.	
<u>Variable costs</u>					
Concentrates	67	.	91	.	
Purchased fodder	10	.	10	.	
Veterinary and medicines	25	.	41	.	
Other livestock costs	66	.	79	.	
Seeds	2	.	9	.	
Fertilisers	30	.	57	.	
Crop protection	2	.	2	.	
Other crop costs	2	.	7	.	
TOTAL VARIABLE COSTS	203	.	296	.	
TOTAL GROSS MARGIN #	564	.	882	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
	£ per farm hectare				
TOTAL GROSS MARGIN #	564	.	882	.	
<u>Fixed costs</u>					
Paid labour	35	.	39	.	
Unpaid family labour	33	.	44	.	
Casual labour	12	.	3	.	
Contract	25	.	39	.	
Machinery repairs	41	.	62	.	
Machinery fuel	24	.	38	.	
Machinery depreciation	46	.	96	.	
Other depreciation	0	.	0	.	
Property maintenance	36	.	86	.	
Electricity	6	.	8	.	
Other fuel	2	.	3	.	
Water	1	.	7	.	
Insurance	28	.	35	.	
Professional fees	15	.	29	.	
Other general costs	25	.	34	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	328	.	524	.	
PROFIT BEFORE RENT AND INTEREST	236	.	358	.	
Rent, hired in keep and bare land	39	.	53	.	
Rates	0	.	0	.	
Long-term interest	11	.	22	.	
Short-term interest	5	.	10	.	
Interest received (-)	0	.	0	.	
NET PROFIT##	182	.	274	.	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	16	.	31	.	
Plus - Landlord type repairs (included in property maintenance)	2	.	3	.	
Less - Rental value (of owner occupied land and buildings)	69	.	170	.	
NET FARM INCOME## (NFI)	131	.	138	.	
Less farmer and spouse labour	161	.	286	.	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	-30	.	-148	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

FINANCIAL COMPARISONS per £100 OUTPUT, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
	per £100 output				
<u>Output</u>					
Milk	0	.	0	.	
Cattle	27	.	36	.	
Sheep	30	.	25	.	
Pigs, poultry and other livestock	0	.	0	.	
Cereals	0	.	0	.	
Other cash crops	0	.	0	.	
Straw and forage	1	.	3	.	
Management agreements and agri-environment schemes	14	.	8	.	
Miscellaneous output	4	.	8	.	
Basic Payment Scheme	25	.	19	.	
TOTAL OUTPUT**	100	.	100	.	
<u>Variable costs</u>					
Concentrates, fodder and keep	10	.	9	.	
Veterinary, medicines and other livestock costs	12	.	10	.	
Seeds	0	.	1	.	
Fertilisers	4	.	5	.	
Crop protection and other crop costs	1	.	1	.	
TOTAL VARIABLE COSTS	26	.	25	.	
TOTAL GROSS MARGIN**	74	.	75	.	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	9	.	7	.	
Casual labour	2	.	0	.	
Contract	3	.	3	.	
Machinery repairs and fuel	8	.	9	.	
Machinery and other depreciation	6	.	8	.	
Property maintenance	5	.	7	.	
Electricity, other fuel and water	1	.	2	.	
Other general costs	9	.	8	.	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	43	.	45	.	
PROFIT BEFORE RENT AND INTEREST	31	.	30	.	
Rent and rates	5	.	4	.	
Long-term interest paid	1	.	2	.	
Short-term interest paid	1	.	1	.	
Interest received (-)	0	.	0	.	
PROFIT**	24	.	23	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
<u>Land use</u>					
Percentage cropped	44	.	73	.	
Percentage forage	56	.	27	.	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	.	
Other cattle	49	.	55	.	
Sheep	34	.	26	.	
Other livestock	2	.	0	.	
Total	85	.	81	.	
GLUs per ha	0.65	.	1.06	.	
GLUs per adjusted ha	0.83	.	1.10	.	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow		.		.	
Pence per litre		.		.	
Milk output per cow		.		.	
<u>Finished cattle and lambs</u>					
£ per finished animal	1159	.	1093	.	
£ per finished lamb	88	.	96	.	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare		.		.	
Price per tonne		.		.	
Winter barley					
Yield - tonnes per hectare		.	4.6	.	
Price per tonne		.	142	.	
Spring barley					
Yield - tonnes per hectare		.		.	
Price per tonne		.		.	
Winter oats					
Yield - tonnes per hectare		.		.	
Price per tonne		.		.	
All cereals					
Yield - tonnes per hectare		.	4.6	.	
Price per tonne		.	142	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

Less Favoured Area Grazing Livestock

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	698	.	1042	.	
Crops, forage and cultivations	19	.	46	.	
Stores	22	.	45	.	
Machinery	289	.	620	.	
Basic Payment Scheme	191	.	198	.	
Miscellaneous business assets & other assets	11	.	46	.	
Total physical assets	1229	.	1996	.	
Liquid assets	226	.	489	.	
Tenant's capital (TC)	1455	.	2485	.	
Management & investment income (M&I)**	-30	.	-148	.	
Return on tenant's capital (M&I as % of average TC)	-2.1%	.	-5.9%	.	
<u>Ratios per £100 of output (%)</u>					
Variable costs	26	.	25	.	
Gross margin	74	.	75	.	
Fixed costs (excluding rent and interest)	43	.	45	.	
Net profit	24	.	23	.	
Net farm income	17	.	12	.	
Farmer and spouse	21	.	24	.	
Management & Investment Income	-4	.	-13	.	
Tenant's capital	190	.	211	.	
Total assets	976	.	1179	.	
Total external liabilities	79	.	84	.	
Net worth	897	.	1095	.	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	241	.	373	.	
Costs (£ per £100 output)	31	.	32	.	
Costs (£ per £100 gross margin)	43	.	42	.	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	136	.	236	.	
Costs (£ per £100 output)	18	.	20	.	
Costs (£ per £100 gross margin)	24	.	27	.	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	377	.	609	.	
Costs (£ per £100 output)	49	.	52	.	
Costs (£ per £100 gross margin)	67	.	69	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Less Favoured Area Grazing Livestock

END-OF-YEAR BALANCE SHEETS, 2020/2021

	SDA Cattle and Sheep		DA Cattle and Sheep		Your farm
	Average	Premium**	Average	Premium**	
Number of farms in the population	586	.	528	.	
Number of farms in FBS sample	17	.	10	.	
Average farmed area (hectares)	133	.	86	.	
Average proportion of total farmed area tenanted or hired (%)	56%	.	27%	.	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	5984	.	11289	.	
Basic Payment Scheme	186	.	192	.	
Machinery	296	.	635	.	
Tenant's other assets	0	.	0	.	
Breeding livestock	504	.	530	.	
Total fixed assets	6970	.	12646	.	
Suckler cow and ewe premium quota					
Trading livestock	210	.	584	.	
Crops	0	.	0	.	
Forage and cultivations	19	.	46	.	
Stores	24	.	43	.	
Debtors and loans	141	.	207	.	
Bank credit and cash	130	.	359	.	
Other current assets	1	.	2	.	
Total current assets	525	.	1241	.	
Total assets	7495	.	13887	.	
Financed by					
Institutional loans	183	.	214	.	
Bank loans	252	.	473	.	
Other long term	41	.	30	.	
Total long term	475	.	717	.	
HP and lease	19	.	32	.	
Creditors	55	.	81	.	
Bank overdraft	60	.	156	.	
Other short term	2	.	0	.	
Total current liabilities	135	.	268	.	
Total Liabilities	610	.	985	.	
Net worth	6885	.	12902	.	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	92%	.	93%	.	
% Fixed assets vs. total assets	93%	.	91%	.	
Gearing (long-term loans vs. total assets)	6%	.	5%	.	
Total debt (external liabilities vs. net worth)	9%	.	8%	.	
Current Ratio (current assets vs. current liabilities)	389%	.	462%	.	
Liquidity Ratio (liquid assets vs. current liabilities)	200%	.	211%	.	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

GROSS OUTPUT, VARIABLE COSTS AND FARM GROSS MARGIN, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
	£ per farm hectare				
<u>Output</u>					
Milk	0	.	0	0	
Cattle	153	.	293	323	
Herd depreciation	0	.	-5	-3	
Sheep	87	.	128	86	
Flock depreciation	-15	.	-17	-6	
Pigs	0	.	0	0	
Poultry	0	.	0	0	
Other livestock	0	.	0	0	
Cereals	320	.	311	220	
Oilseeds	17	.	18	14	
Pulses	4	.	5	16	
Other crops	773	.	16	7	
Straw	58	.	61	0	
Forage	169	.	104	89	
Agri-environment schemes and management agreements	53	.	62	30	
Rental income and imputed farmhouse rental equivalent	140	.	59	56	
Hirework	374	.	22	7	
Renewable energy generation	38	.	6	8	
Miscellaneous output	44	.	32	30	
Cultivations	-5	.	4	10	
Basic Payment Scheme	195	.	223	229	
TOTAL FARM OUTPUT #	2405	.	1322	1116	
<u>Variable costs</u>					
Concentrates	39	.	102	86	
Purchased fodder	4	.	5	0	
Veterinary and medicines	12	.	19	16	
Other livestock costs	32	.	72	112	
Seeds	170	.	48	42	
Fertilisers	123	.	98	64	
Crop protection	106	.	62	71	
Other crop costs	59	.	17	24	
TOTAL VARIABLE COSTS	544	.	422	415	
TOTAL GROSS MARGIN #	1861	.	900	701	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

FIXED COSTS, FARM PROFIT AND MANAGEMENT & INVESTMENT INCOME, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
	£ per farm hectare				
TOTAL GROSS MARGIN #	1861	.	900	701	
<u>Fixed costs</u>					
Paid labour	159	.	60	51	
Unpaid family labour	105	.	54	150	
Casual labour	10	.	4	1	
Contract	135	.	86	58	
Machinery repairs	124	.	59	75	
Machinery fuel	98	.	42	52	
Machinery depreciation	259	.	112	116	
Other depreciation	13	.	0	0	
Property maintenance	56	.	45	35	
Electricity	31	.	9	9	
Other fuel	11	.	4	4	
Water	11	.	6	11	
Insurance	70	.	33	35	
Professional fees	36	.	25	29	
Other general costs	47	.	25	24	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	1166	.	563	651	
PROFIT BEFORE RENT AND INTEREST	694	.	337	50	
Rent, hired in keep and bare land	140	.	102	53	
Rates	5	.	0	0	
Long-term interest	82	.	12	16	
Short-term interest	17	.	3	3	
Interest received (-)	0	.	2	1	
NET PROFIT##	452	.	223	-20	
Reconciliation of Profit to NFI and M&I					
Plus - Interest charges (net)	99	.	13	18	
Plus - Landlord type repairs (included in property maintenance)	2	.	2	2	
Less - Rental value (of owner occupied land and buildings)	128	.	129	192	
NET FARM INCOME## (NFI)	424	.	109	-192	
Less farmer and spouse labour	225	.	178	222	
MANAGEMENT AND INVESTMENT INCOME** (M&I)	199	.	-69	-414	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

FINANCIAL COMPARISONS per £100 OUTPUT, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
	per £100 output				
<u>Output</u>					
Milk	0	.	0	0	
Cattle	6	.	22	29	
Sheep	3	.	8	7	
Pigs, poultry and other livestock	0	.	0	0	
Cereals	13	.	24	20	
Other cash crops	33	.	3	3	
Straw and forage	9	.	12	8	
Management agreements and agri-environment schemes	2	.	5	3	
Miscellaneous output	25	.	9	10	
Basic Payment Scheme	8	.	17	21	
TOTAL OUTPUT**	100	.	100	100	
<u>Variable costs</u>					
Concentrates, fodder and keep	2	.	8	8	
Veterinary, medicines and other livestock costs	2	.	7	11	
Seeds	7	.	4	4	
Fertilisers	5	.	7	6	
Crop protection and other crop costs	7	.	6	9	
TOTAL VARIABLE COSTS	23	.	32	37	
TOTAL GROSS MARGIN**	77	.	68	63	
<u>Fixed costs</u>					
Labour - paid and unpaid, excluding farmer and spouse	11	.	9	18	
Casual labour	0	.	0	0	
Contract	6	.	6	5	
Machinery repairs and fuel	9	.	8	11	
Machinery and other depreciation	11	.	8	10	
Property maintenance	2	.	3	3	
Electricity, other fuel and water	2	.	1	2	
Other general costs	6	.	6	8	
TOTAL FIXED COSTS EXCLUDING RENT AND INTEREST	48	.	43	58	
PROFIT BEFORE RENT AND INTEREST	29	.	26	5	
Rent and rates	6	.	8	5	
Long-term interest paid	3	.	1	1	
Short-term interest paid	1	.	0	0	
Interest received (-)	0	.	0	0	
PROFIT**	19	.	17	-2	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

LAND USE AND INDICATORS OF TECHNICAL EFFICIENCY, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
<u>Land use</u>					
Percentage cropped	45	.	47	67	
Percentage forage	55	.	53	33	
<u>Grazing livestock units</u>					
			GLUs per farm		
Dairy cattle	0	.	0	0	
Other cattle	18	.	53	47	
Sheep	13	.	25	11	
Other livestock	0	.	2	0	
Total	31	.	80	58	
GLUs per ha	0.67	.	0.90	0.83	
GLUs per adjusted ha	0.67	.	0.95	0.83	
<u>Technical efficiency</u>					
<u>Dairy</u>					
Milk yield per cow		.			
Pence per litre		.			
Milk output per cow		.			
<u>Finished cattle and lambs</u>					
£ per finished animal	1162	.	1178	1130	
£ per finished lamb	80	.	95	95	
<u>Cereals**</u>					
Winter wheat					
Yield - tonnes per hectare	6.9	.	6.7	5.2	
Price per tonne	179	.	184	179	
Winter barley					
Yield - tonnes per hectare	4.3	.	5.7	2.4	
Price per tonne	135	.	148	132	
Spring barley					
Yield - tonnes per hectare	5.0	.	5.0	5.4	
Price per tonne	156	.	145	156	
Winter oats					
Yield - tonnes per hectare		.	4.9	3.7	
Price per tonne		.	135	114	
All cereals					
Yield - tonnes per hectare	5.7	.	5.7	5.1	
Price per tonne	167	.	164	166	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

##Cereal yields for groups representing less than 100 hectares excluded

General Cropping and Cattle, Sheep and Cropping

TENANTS CAPITAL, OUTPUT RATIOS AND INDICATORS OF FINANCIAL EFFICIENCY, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
	£ per farm hectare				
<u>Tenant's capital formation</u>					
Livestock	356	.	520	523	
Crops, forage and cultivations	716	.	371	247	
Stores	116	.	120	117	
Machinery	1680	.	789	778	
Basic Payment Scheme	215	.	207	221	
Miscellaneous business assets & other assets	231	.	43	4	
Total physical assets	3314	.	2051	1891	
Liquid assets	752	.	692	452	
Tenant's capital (TC)	4067	.	2743	2343	
Management & investment income (M&I)**	199	.	-69	-414	
Return on tenant's capital (M&I as % of average TC)	4.9%	.	-2.5%	-17.7%	
<u>Ratios per £100 of output (%)</u>					
Variable costs	23	.	32	37	
Gross margin	77	.	68	63	
Fixed costs (excluding rent and interest)	48	.	43	58	
Net profit	19	.	17	-2	
Net farm income	18	.	8	-17	
Farmer and spouse	9	.	13	20	
Management & Investment Income	8	.	-5	-37	
Tenant's capital	169	.	207	210	
Total assets	622	.	882	1459	
Total external liabilities	148	.	41	67	
Net worth	474	.	841	1392	
<u>Efficiency of labour use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	0	0	
<u>Efficiency of machinery use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	0	0	
<u>Efficiency of labour and machinery use</u>					
Costs (£ per hectare)	0	.	0	0	
Costs (£ per £100 output)	0	.	0	0	
Costs (£ per £100 gross margin)	0	.	0	0	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

General Cropping and Cattle, Sheep and Cropping

END-OF-YEAR BALANCE SHEETS, 2020/2021

	General cropping		Cattle, sheep and cropping		Your farm
	Average	Premium**	Average	Premium*	
Number of farms in the population	486	.	778	251	
Number of farms in FBS sample	11	.	22	6	
Average farmed area (hectares)	111	.	169	128	
Average proportion of total farmed area tenanted or hired (%)	55%	.	53%	33%	
End of year assets & liabilities	£ per farm hectare				
Land & buildings	10773	.	8859	13902	
Basic Payment Scheme	208	.	200	216	
Machinery	1691	.	796	751	
Tenant's other assets	154	.	1	1	
Breeding livestock	130	.	223	111	
Total fixed assets	12957	.	10079	14982	
Suckler cow and ewe premium quota					
Trading livestock	250	.	320	487	
Crops	565	.	212	122	
Forage and cultivations	140	.	137	105	
Stores	107	.	114	123	
Debtors and loans	554	.	273	172	
Bank credit and cash	370	.	487	298	
Other current assets	12	.	36	0	
Total current assets	1997	.	1580	1307	
Total assets	14954	.	11659	16289	
Financed by					
Institutional loans	1468	.	0	0	
Bank loans	999	.	288	497	
Other long term	178	.	50	19	
Total long term	2645	.	338	516	
HP and lease	254	.	65	60	
Creditors	407	.	101	83	
Bank overdraft	165	.	34	90	
Other short term	85	.	8	0	
Total current liabilities	911	.	208	233	
Total Liabilities	3556	.	546	749	
Net worth	11398	.	11112	15539	
Balance sheet ratios					
% Owner equity (net worth vs. total assets)	76%	.	95%	95%	
% Fixed assets vs. total assets	87%	.	86%	92%	
Gearing (long-term loans vs. total assets)	18%	.	3%	3%	
Total debt (external liabilities vs. net worth)	31%	.	5%	5%	
Current Ratio (current assets vs. current liabilities)	219%	.	758%	560%	
Liquidity Ratio (liquid assets vs. current liabilities)	101%	.	365%	201%	

* Top third selected on Management and investment income per hectare

** Too few observations in the sample to give reliable estimates

CARE NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

Organic farms have been excluded from this benchmarking data

Excluding Breeding Livestock Stock Appreciation

Wheat

Gross margin per hectare

Crop year 2020

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average***	Premium***	Your Farm
Number of farms in the population represented	2822	957				
Number of farms	94	23		.	.	
Area per farm (ha)	40.0	52.4		.	.	
Yield: tonnes/ha	8.3	9.9		.	.	
Price: £/tonne	179.4	181.0		.	.	
	£ per hectare					
Grain	1488.8	1794.5		.	.	
Straw	174.1	236.1		.	.	
ENTERPRISE OUTPUT	1662.9	2030.6		.	.	
Seeds (inc.homegrown)	81.8	73.5		.	.	
Fertilisers	204.6	195.9		.	.	
Sprays	204.6	210.8		.	.	
Other crop costs	46.8	44.6		.	.	
TOTAL VARIABLES ‡	537.8	524.8		.	.	
GROSS MARGIN	1125.1	1505.8		.	.	

* Top third in order of Gross Margin per hectare

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

Organic farms have been excluded from this benchmarking data

Barley

Gross margin per hectare

Crop year 2020

	WINTER			SPRING		
	Average	Premium*	Your Farm	Average	Premium*	Your Farm
Number of farms in the population represented	1762	608		3184	1063	
Number of farms	49	23		89	33	
Area per farm (ha)	21.0	25.6		20.5	24.1	
Yield: tonnes/ha	6.5	7.8		5.7	6.7	
Price: £/tonne	139.9	139.8		148.5	150.8	
	£ per hectare					
Grain	913.5	1084.6		848.4	1014.5	
Straw	196.8	265.6		148.5	195.2	
ENTERPRISE OUTPUT	1110.3	1350.2		996.9	1209.6	
Seeds (inc.homegrown)	90.9	83.8		68.7	61.6	
Fertilisers	177.2	174.1		136.2	126.0	
Sprays	163.0	161.2		115.7	116.0	
Other crop costs	29.2	29.9		32.4	21.1	
TOTAL VARIABLES ‡	460.3	449.0		352.9	324.8	
GROSS MARGIN	650.0	901.2		643.9	884.9	

* Top third in order of Gross Margin per hectare

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

Organic farms have been excluded from this benchmarking data

Oats

Gross margin per hectare	Crop year 2020					
	WINTER			SPRING		
	Average	Premium***	Your Farm	Average	Premium***	Your Farm
Number of farms in the population represented	445	.		644	.	
Number of farms	49	.		89	.	
Area per farm (ha)	21.0	.		20.5	.	
Yield: tonnes/ha	6.5	.		5.7	.	
Price: £/tonne	139.9	.		148.5	.	
	£ per hectare					
Grain	913.5	.		848.4	.	
Straw	196.8	.		148.5	.	
ENTERPRISE OUTPUT	1110.3	.		996.9	.	
Seeds (inc.homegrown)	90.9	.		68.7	.	
Fertilisers	177.2	.		136.2	.	
Sprays	163.0	.		115.7	.	
Other crop costs	29.2	.		32.4	.	
TOTAL VARIABLES ‡	460.3	.		352.9	.	
GROSS MARGIN	650.0	.		643.9	.	

* Top third in order of Gross Margin per hectare

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

Organic farms have been excluded from this benchmarking data

Oilseed rape

Gross margin per hectare

Crop year 2020

	WINTER			SPRING		
	Average	Premium***	Your Farm	Average**	Premium**	Your Farm
Number of farms in the population represented	1061	.				
Number of farms	23	.				
Area per farm (ha)	30.0	.				
Yield: tonnes/ha	2.8	.				
Price: £/tonne	371.4	.				
	£ per hectare					
Grain	1040.6	.				
Straw	43.2	.				
ENTERPRISE OUTPUT	1083.8	.				
Seeds (inc.homegrown)	59.2	.				
Fertilisers	235.3	.				
Sprays	175.0	.				
Other crop costs	45.4	.				
TOTAL VARIABLES ‡	514.9	.				
GROSS MARGIN	568.9	.				

* Top third in order of Gross Margin per hectare

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

‡ Restricted to seeds, fertilisers, sprays and other crop costs

Organic farms have been excluded from this benchmarking data

Dairy cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2020/21

	Conventional		Organic	Your Farm
	Average	Premium*	Average	
Number of farms in the population represented	1662	590	166	
Number of farms in sample	53	14	18	
Cows per herd	181	222	138	
Yield: litres/cow	8336	8840	8336	
Price: pence/litre	30.0	31.2	25.6	
Stocking rate: cows/ha	1.88	1.95	1.27	
ha/cow	0.53	0.51	0.79	
	£ per cow			
Output - milk	2502.8	2758.9	2130.5	
miscellaneous revenue	0.5	0.0	0.0	
calves	131.3	137.8	108.3	
depreciation	-239.6	-207.1	-144.8	
ENTERPRISE OUTPUT (excl. BLSA)	2395.0	2689.6	2094.0	
Concentrates	653.0	652.8	563.6	
Coarse fodder	35.9	47.7	57.8	
Veterinary and medicines	75.4	66.4	48.9	
Other livestock costs	183.4	176.1	179.6	
Forage †	104.5	108.2	33.3	
TOTAL VARIABLE COSTS ‡	1052.2	1051.3	883.2	
GROSS MARGIN per cow (excl. BLSA)	1342.8	1638.3	1210.7	
GROSS MARGIN per hectare (excl. BLSA)	2517.6	3192.4	1511.7	
Margin - milk over concentrates	1849.8	2106.1	1566.9	
Concentrates per £100 of milk output	26.1	23.7	26.5	

* Top third in order of Gross Margin per cow.

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been identified as a separate group from this benchmarking table

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2020/21

Yield per cow (litres)	Less than 5999**	6000-6999**	7000-7999**	Over 8000	Your Farm
Number of farms in the population represented	351	250	316	746	
Number of farms in sample	13	10	12	18	
Cows per herd	72	200	213	212	
Yield: litres/cow	4637	6517	7399	9902	
Price: pence/litre	29.1	31.7	30.8	29.5	
Stocking rate: cows/ha	1.79	2.87	1.78	1.86	
ha/cow	0.56	0.35	0.56	0.54	
	£ per cow				
Output - milk	1347.2	2064.8	2276.3	2922.4	
miscellaneous revenue	5.3	0.0	0.0	0.0	
calves	121.5	130.9	137.2	130.4	
depreciation	-213.9	-142.3	-238.4	-275.0	
ENTERPRISE OUTPUT (excl. BLSA)	1260.1	2053.4	2175.2	2777.9	
Concentrates	268.3	395.3	504.1	859.3	
Coarse fodder	26.0	37.3	14.0	46.4	
Veterinary and medicines	29.7	47.8	69.4	94.1	
Other livestock costs	114.1	102.7	139.1	238.8	
Forage †	66.2	70.6	130.2	110.5	
TOTAL VARIABLE COSTS ‡	504.3	653.6	856.8	1348.9	
GROSS MARGIN per cow (excl. BLSA)	755.9	1399.8	1318.4	1429.0	
GROSS MARGIN per hectare (excl. BLSA)	912.0	1397.0	1519.9	2506.8	
Margin - milk over concentrates	1078.8	1669.5	1772.2	2063.1	
Concentrates per £100 of milk output	19.9	19.1	22.1	29.4	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2020/21

	Under 100**	100- 150	150- 200**	Over 200**	Your Farm
Average number of cows					
Number of farms in the population represented	355	397	401	509	
Number of farms in sample	11	15	14	13	
Cows per herd	41	128	176	325	
Yield: litres/cow	6783	8007	8118	8666	
Price: pence/litre	29.4	29.5	29.8	30.3	
Stocking rate: cows/ha	1.42	1.62	1.66	2.16	
ha/cow	0.70	0.62	0.60	0.46	
	£ per cow				
Output - milk	1993.3	2361.1	2422.3	2625.1	
miscellaneous revenue	0.0	2.8	0.0	0.0	
calves	132.7	127.3	141.0	128.2	
depreciation	-207.8	-211.4	-241.8	-250.1	
ENTERPRISE OUTPUT (excl. BLSA)	1918.2	2279.8	2321.5	2503.3	
Concentrates	504.1	660.0	594.2	688.9	
Coarse fodder	6.0	32.5	29.0	42.6	
Veterinary and medicines	76.9	88.8	66.5	75.0	
Other livestock costs	156.1	211.2	177.8	179.6	
Forage †	97.1	109.9	115.2	98.9	
TOTAL VARIABLE COSTS ‡	840.2	1102.5	982.6	1084.9	
GROSS MARGIN per cow (excl. BLSA)	1078.0	1177.3	1338.9	1418.4	
GROSS MARGIN per hectare (excl. BLSA)	1191.7	1791.1	1628.2	2341.9	
Margin - milk over concentrates	1489.2	1701.1	1828.1	1936.2	
Concentrates per £100 of milk output	25.3	28.0	24.5	26.2	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Dairy Cows - mainly Fresian/Holsteins

Gross margins per cow and per hectare

2020/21

Stocking rate (GLU per hectare)	Less than 1.6GLU/ha	1.6 to 2.0 GLU/ha	Over 2.0GLU/ha	Your Farm
Number of farms in the population represented	567	698	398	
Number of farms in sample	18	24	11	
Cows per herd	118	177	278	
Yield: litres/cow	7850	8677	8250	
Price: pence/litre	30.3	30.1	29.8	
Stocking rate: cows/ha	1.33	1.84	2.60	
ha/cow	0.75	0.54	0.38	
	£ per cow			
Output - milk	2381.0	2611.9	2454.7	
miscellaneous revenue	0.1	0.0	1.2	
calves	120.6	136.1	132.3	
depreciation	-224.6	-235.7	-253.0	
ENTERPRISE OUTPUT (excl. BLSA)	2277.1	2512.3	2335.2	
Concentrates	593.3	653.0	689.2	
Coarse fodder	19.9	16.3	67.5	
Veterinary and medicines	87.3	75.4	68.3	
Other livestock costs	219.5	188.6	155.7	
Forage †	142.1	114.0	71.2	
TOTAL VARIABLE COSTS ‡	1062.1	1047.2	1051.8	
GROSS MARGIN per cow (excl. BLSA)	1215.1	1465.1	1283.4	
GROSS MARGIN per hectare (excl. BLSA)	1400.6	1923.9	2731.0	

Margin - milk over concentrates	1787.8	1958.9	1765.5	
Concentrates per £100 of milk output	24.9	25.0	28.1	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Beef cows

Gross margins per cow, per LU and per hectare

2020/21

	LFA suckler cows		Lowland suckler cows		Your Farm
	Average	Premium***	Average	Premium*	
Number of farms in the population represented	450	.	2900	1158	
Number of farms in sample	18	.	67	24	
Cows per herd	54	.	35	32	
Stocking rate: LU/ha ha/LU	0.78	.	1.01	1.09	
	1.27	.	0.99	0.92	
	£ per cow				
Output - calf output	474.9	.	564.5	596.6	
depreciation	-60.8	.	-93.7	-54.4	
ENTERPRISE OUTPUT (excl. BLSA)	414.1	.	470.7	542.2	
Concentrates	22.8	.	31.9	24.8	
Coarse fodder	7.7	.	15.8	12.1	
Veterinary and medicines	18.9	.	34.9	31.3	
Other livestock costs	48.8	.	78.1	69.0	
Forage †	51.5	.	74.0	64.8	
TOTAL VARIABLE COSTS ‡	149.7	.	234.7	202.0	
GROSS MARGIN per cow (excl. BLSA)	264.4	.	236.0	340.2	
GROSS MARGIN per LU (excl. BLSA)	268.9	.	250.4	355.6	
GROSS MARGIN per hectare (excl. BLSA)	211.0	.	252.7	387.9	
Concentrates per £100 output	5.5	.	6.8	4.6	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Dairy followers

Gross margins per head, per LU and per hectare

2020/21

	Average	**Premium*	Your Farm
Number of farms in the population represented	940	392	
Number of farms in sample	30	13	
Cattle per herd	183	187	
Average finished animal sale price - £/head	911	1007	
Stocking rate: LU/ha	1.82	2.22	
ha/LU	0.55	0.45	
	£ per head		
Output - cattle	570.8	680.6	
ENTERPRISE OUTPUT (excl. BLSA)	570.8	680.6	
Concentrates	139.5	116.4	
Coarse fodder	6.6	8.8	
Veterinary and medicines	11.5	8.0	
Other livestock costs	76.4	88.0	
Forage †	58.2	45.8	
TOTAL VARIABLE COSTS ‡	292.1	266.9	
GROSS MARGIN per head	278.7	413.7	
GROSS MARGIN per LU	542.0	808.3	
GROSS MARGIN per hectare	987.8	1793.4	
Concentrates per £100 output	24.4	17.1	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Dairy bred cattle

Gross margins per head, per LU and per hectare

2020/21

	Mainly store cattle		Mainly finished cattle		Your Farm
	Average	**Premium*	Average	**Premium*	
Number of farms in the population represented	393	132	893	361	
Number of farms in sample	12	7	25	8	
Cattle per herd	117	176	173	93	
Average finished animal sale price - £/head	1041	1075	1185	1186	
Stocking rate: LU/ha	1.19	1.46	1.40	1.04	
ha/LU	0.84	0.68	0.72	0.96	
	£ per head				
Output - cattle	476.1	521.5	560.2	654.7	
ENTERPRISE OUTPUT (excl. BLSA)	476.1	521.5	560.2	654.7	
Concentrates	129.3	126.2	132.6	116.7	
Coarse fodder	2.3	4.0	5.2	1.0	
Veterinary and medicines	18.1	15.5	12.5	11.5	
Other livestock costs	62.4	54.4	54.6	47.0	
Forage †	35.8	58.0	49.7	46.6	
TOTAL VARIABLE COSTS ‡	248.0	258.1	254.7	222.7	
GROSS MARGIN per head	228.2	263.4	305.6	432.0	
GROSS MARGIN per LU	462.7	509.0	554.0	723.8	
GROSS MARGIN per hectare	552.8	745.6	773.0	754.7	
Concentrates per £100 output	27.2	24.2	23.7	17.8	

* Top third in order of Gross Margin per cow.

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Suckler bred cattle

Gross margins per head, per LU and per hectare

2020/21

	Mainly Store cattle		Mainly finished cattle		Your Farm
	Average	**Premium*	Average	Premium*	
Number of farms in the population represented	1518	536	2180	860	
Number of farms in sample	37	13	53	21	
Cattle per herd	41	42	62	59	
Average finished animal sale price - £/head	1135	1284	1199	1234	
Stocking rate: LU/ha	0.97	1.00	1.03	0.98	
ha/LU	1.03	1.00	0.97	1.02	
	£ per head				
Output - cattle	437.7	485.8	576.6	681.6	
ENTERPRISE OUTPUT (excl. BLSA)	437.7	485.8	576.6	681.6	
Concentrates	76.9	43.2	129.4	131.6	
Coarse fodder	12.6	1.5	5.6	7.7	
Veterinary and medicines	16.6	14.5	15.2	19.6	
Other livestock costs	84.9	72.0	81.6	95.3	
Forage †	42.7	31.9	51.3	43.0	
TOTAL VARIABLE COSTS ‡	233.7	163.1	283.1	297.4	
GROSS MARGIN per head	204.0	322.7	293.5	384.2	
GROSS MARGIN per LU	307.1	528.6	493.8	654.2	
GROSS MARGIN per hectare	298.5	526.8	507.7	644.0	
Concentrates per £100 output	17.6	8.9	22.4	19.3	

* Top third in order of Gross Margin per cow.

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Other beef enterprises

Gross margins per head, per LU and per hectare		2020/21	
	Average	**Premium*	Your Farm
Number of farms in the population represented	981	421	
Number of farms in sample	26	12	
Cattle per herd	86	69	
Average finished animal sale price - £/head	1134	1178	
Stocking rate: LU/ha	1.34	1.11	
ha/LU	0.75	0.90	
	£ per head		
Output - cattle	499.4	646.4	
ENTERPRISE OUTPUT (excl. BLSA)	499.4	646.4	
Concentrates	104.4	126.2	
Coarse fodder	9.0	14.1	
Veterinary and medicines	12.4	15.6	
Other livestock costs	57.2	55.3	
Forage †	44.1	48.1	
TOTAL VARIABLE COSTS ‡	227.1	259.2	
GROSS MARGIN per head	272.3	387.2	
GROSS MARGIN per LU	508.1	712.0	
GROSS MARGIN per hectare	681.7	790.3	
Concentrates per £100 output	20.9	19.5	

* Top third in order of Gross Margin per cow.

** **CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE**

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

Breeding ewes

Gross margins per ewe and per hectare

2020/21

	High hill flock	Other LFA	Lowland		Your Farm
	**Average	**Average	Average	Premium*	
Number of farms in the population represented	361	381	2270	791	
Number of farms in sample	10	10	61	18	
Average number of ewes	516	348	268	253	
Average lamb sale price - £/lamb	85.7	92.9	92.6	95.0	
Stocking rate - ewes per hectare	7.0	6.8	5.9	6.5	
	£ per ewe				
Output - Lambs (inc lamb sales, transfers into flock & change in valuation of ewe hoggs)	80.5	141.4	148.5	173.9	
wool	0.4	0.8	0.8	1.0	
miscellaneous	0.0	0.0	0.0	0.0	
depreciation	-18.7	-15.0	-16.0	-11.0	
ENTERPRISE OUTPUT (excl. BLSA)	62.2	127.3	133.4	163.9	
Concentrates	11.6	17.6	22.0	24.4	
Coarse fodder	1.4	3.5	2.3	3.3	
Veterinary and medicines	7.0	9.0	9.9	8.6	
Other livestock costs	10.7	13.8	15.3	13.6	
Forage †	5.5	6.8	14.3	11.7	
TOTAL VARIABLE COSTS ‡	36.2	50.7	63.9	61.5	
GROSS MARGIN per ewe (excl. BLSA)	26.0	76.6	69.4	102.4	
GROSS MARGIN per LU (excl. BLSA)	265.2	624.2	450.3	656.2	
GROSS MARGIN per hectare (excl. BLSA)	182.9	517.3	409.5	664.6	
Concentrates per £100 of output	18.6	13.8	16.5	14.9	

* Top third in order of Gross Margin per cow.

** CARE IS NEEDED WHEN INTERPRETING THE RESULTS WHEN LESS THAN 15 FARMS IN SAMPLE

*** Insufficient farms

† Forage includes seeds, fertilisers, sprays and other crop costs

‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.

Organic farms have been excluded from this benchmarking data

DEFINITION OF TERMS USED

Average farm size is based on the utilised agricultural area of the farm (U.A.A.) and includes the arable area, permanent pasture, the enclosed rough grazing and the area of permanent crops. It also includes areas of keep and bare land taken for the year. Areas of land let are also included in the farm size as letting revenue is included within output.

Gross output

Livestock enterprise output comprises the total revenue from livestock and livestock products, livestock production grants, produce consumed and milk and milk products fed on the farm, adjusted for livestock valuation changes and the value of transfers between enterprises, less purchases of livestock and livestock products from outside the farm business. Breeding livestock stock appreciation is excluded.

Crop enterprise output is the total value of the production of the current year's cash crops and excludes the profit and loss on the disposal of the previous year's cash crops.

Miscellaneous revenue includes the domestic portion of the farmhouse rent, rents of cottages used for the farm business, hirework, miscellaneous production grants excluding livestock production grants, the gross output of forage crops and any other sundry item of farm revenue.

Total farm output is the sum of the output of the livestock and cash crop enterprises plus miscellaneous revenue. It excludes breeding livestock stock appreciation.

Variable costs

Concentrates includes (a) bought compounds and grains, sugar beet pulp, proteins, milk powder, animal and plant proteins, additives, minerals and vitamins; and (b) home produced cereals, beans, peas, milk and milk products, valued at the average ex-farm price.

Fodder and keep includes purchased bulk feeds such as potatoes, vegetable residues, wet brewers' grains, hay and straw, and payments for grass keep, agistment and forage land rented from others for less than one year. It does not include forage produced on the holding.

Veterinary and medicines includes the cost of all veterinary fees and medicines.

Other livestock costs includes all expenditure relating directly to livestock production such as freeze branding, AI fees, milk tests, breed society fees, dairy and other detergents, packing, packing materials, bedding straw, show expenses, processing and marketing charges, disposal of casualties, etc.

Seeds includes both actual gross expenditure on seeds and seed cleaning/dressing, and the estimated ex-farm value of home-produced seeds and young plants.

Fertilisers include the purchase costs of all straight, compound and organic fertilisers and similar products.

Sprays include all crop protection products including pre-emergent sprays, fungicides, herbicides and crop sprays.

Other crop costs includes all expenditure relating directly to crop production such as packing materials, baler cord, soil analyses, crop competition costs, polythene (for tunnels), all storage and market preparation costs, purchase of standing crops, marketing charges, soil sterilisation, etc. It also includes the cost of renting bare land (for growing cash crops) for less than one year.

Contracting includes the total expenditure on work carried out by agricultural contractors and payments for equipment hire. Contract labour is only included when associated with the hiring of a machine.

Total farm gross margin is the sum of the gross margins of the individual enterprises plus miscellaneous revenue or, alternatively, it equals the total farm output less total variable costs.

Fixed costs

Regular paid and unpaid labour costs include all work in connection with the normal running of the holding including field work, livestock husbandry, market preparation, maintenance, transport and other operations. They exclude work to produce fixed assets (construction or repairs of buildings and machinery, etc), domestic work and business travel/professional meetings etc. 'Unpaid' labour is costed at the appropriate rate for the work actually done (e.g. AWB rates).

Machinery costs relate to all machinery and equipment items, which originally cost more than £200, including the farm, *share* of road vehicles. Depreciation is calculated on a replacement cost basis (broadly equivalent to 15% of current replacement costs). Repairs are recorded net of insurance receipts.

Land expenses include tenant-type repairs and land upkeep costs, the actual rents paid by tenant farmers and drainage rates where incurred.

General overheads include the farm share of electricity, heating fuel, water, insurance (including labour and buildings), bank charges, professional fees, secretarial costs, consultancy fees and other sundry costs (such as subscriptions, telephone, postage, stationery, etc.).

Interest charges relate to borrowings incurred by the farm business. Long term loans include bank and other institutional loans and private/family loans. Short term loans include bank overdrafts, hire purchase and leasing agreements (the latter are capitalised and repayments treated as part capital, part interest), and trade/merchant credit.

Profit is broadly equivalent to that shown in conventional management accounts. It is the residue of farm output less variable and fixed costs including interest on borrowed capital and any cash rent paid, but excluding rental value and the imputed charge for the manual labour of the farmer and spouse. It represents the reward for the labour input of farmer and spouse and a return to their own invested capital (Net Worth).

Management and investment income (M & I) is the excess of total gross output over variable costs and fixed costs. It excludes interest on borrowed capital, but includes rental value (in lieu of landlord-type property maintenance charges) and an imputed charge for the manual work of the farmer and spouse. It represents the reward to management and the return on tenant-type capital invested in the business.

Net farm income (NFI) represents the reward to the farmer and spouse for their own manual labour and management and the return on tenant-type capital invested in the business.

Breeding livestock stock appreciation (BLSA) has been excluded from output, profit and income figures. It represents the change in market prices of breeding cattle, sheep and pigs between the opening and closing valuations.

Technical efficiency measures

Grazing livestock units have been calculated using the following coefficients based on annual average numbers of stock.

Dairy cows	1.00 LU	Beef cows	0.75 LU	Heifers in calf	0.80 LU
Cattle over 2 years	0.80 LU	Cattle 1-2 years	0.65 LU	Cattle 0-12 months	0.34 LU
Lowland ewes	0.11 LU	Upland ewes	0.08 LU	Hill ewes	0.06 LU
Bulls	0.65 LU	Rams	0.08 LU	Store lambs < 1 yr	0.06 LU

Total tenant's capital is total assets less the value of any owner occupied land, buildings and improvements, tenant's improvements and all quota values, and in this handbook is measured as the average of its value at the beginning and end of the accounting period.

Return on tenant's capital. Management and investment income expressed as a percentage of the total tenant's capital represents the composite return for management and interest on tenant's capital employed.

Farm forage hectares is the sum of the grassland area, including adjusted rough grazings, and the arable forage crops area.

Output efficiency measures actual farm output as a percentage of standard output.

Assets and Liabilities

Assets include all items owned by the farm business which have a realisable money value and all claims which the business has on others in respect of items with a realisable money value.

Fixed assets are assets which are not used up in the course of a single production cycle and, therefore, cannot be realised without impairing the existing productive capacity of the business. They represent the longer-term investment in the business and include farm property in the form of land, buildings and all improvements thereto, glasshouses, machinery and breeding livestock. Land, building, improvements, glasshouses and machinery have been subjected to revaluation procedures to reflect their current value to the business.

Current assets are assets which circulate within the business in the course of the production cycle. They consist of physical working assets and liquid assets.

Physical working assets comprise the raw materials and stock-in-trade of the business normally intended for conversion into cash within one production cycle. They include trading livestock, harvested and growing crops, stocks of livestock products and items of deadstock excluding machinery.

Liquid assets are those which require little or no conversion to generate cash. They include cash balances in hand or at the bank, pre-payments, short-term loans and sundry debtors.

Total assets is the sum of the fixed and current assets of the business.

Liabilities represent the value of claims which the various suppliers of funds to a business have on its assets.

Long term loans consists of loans, mortgages and other debts which, under normal circumstances, are not liable to early recall. Examples include Agricultural Mortgage Corporation mortgages, bank loans and private and family loans.

Current liabilities are claims upon the assets of the business which may have to be met within the span of a normal production or accounting period. They include sundry trade creditors and accrued charges, bank overdrafts and short-term loans.

Net worth or owner's equity is the residual claim which the owners of a business have against its assets after all external claims against them have been met.

Total liabilities comprise loan capital, current liabilities and net worth.

Owner equity ratio* measures owner equity (net worth) as a percentage of the total assets of the business and, in so doing, measure the extent of the internal funding of the business or, alternatively, the reliance of the business on outside sources of finance. Existing levels of borrowing by the business will clearly be of interest to prospective additional lenders.

Fixed asset ratio* measures the relative importance of fixed assets (the means of production) within the overall asset structure of the business. While fixed assets invariably predominate in farming, it is imperative that the volume of the remaining assets (current assets entering directly into the production process) is sufficient to generate enough income to adequately maintain and reward the capital invested and to recompense the management and manual effort expended in its organisation.

Gearing ratio* measures the relationship between loan capital and owner equity as contributory sources to the long-term capital invested in the farm business and is expressed as a percentage with the loan capital as the numerator and owner equity as the denominator. Farming generally tends to be low-g geared (i.e. employs relatively little outside finance) particularly when compared with manufacturing industries. The importance of any increase in this ratio lies in the immediate increase in the prior charges (in the form of interest) which are placed on available income as a consequence.

Current ratio* expresses current assets as a percentage of current liabilities and measures the amount of cover which is afforded by the current assets of the business to those outstanding claims against the business which may be presented in the shorter term (current liabilities). Normally one will expect current assets to meet short term claims. What the amount of the excess should be will depend on the nature of the production process undertaken but, as a general guide, it should be noted that the more prominently do liquid assets (cash and near-cash balances) feature within the total of current assets the narrower can the current ratio safely be.

Liquidity ratio* expresses liquid assets as a percentage of current liabilities and measures the extent to which fully liquid assets - cash and near-cash assets - are readily available to meet the immediate claims which may be made against the business. Normally one would look to the maintenance of parity between current liabilities and liquid assets unless special circumstances (e.g. the granting of bank overdraft facilities) justify a relaxation of this requirement.

* A single ratio of a business should not be considered in isolation nor the examination of a set of ratios for only one point in time. Wherever possible, the interpretation of ratios should be an integrated exercise using a series of such ratios to indicate trends and employing the actual balance sheet data and related material in a supportive and amplifying role.

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**RBR at Duchy
Rural Business School
Duchy College
Stoke Climsland
Callington
Cornwall
PL17 8PB**

Telephone: 44 (0)845 458 7485

Fax: 44 (0)1579 372335

**Bicton College
East Budleigh
Budleigh Salterton
Devon
EX9 7BY**

Telephone: 44 (0)1395 562429

www.ruralbusinessresearch.co.uk

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